Big Industry Plans Five Day Week

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Law Enforcement Threatened by Prison Discontent

National Radio Commission Has Not Business Men

Raid on Treasury is Likely Soon

Prison Riots Warn of Grave Discontent

"Wouldst thou to honors and preferments climb?
Be bold in mischief, dare some mighty crime."
—John Dryden.

THE business men of Canada have a direct and pointed interest in the regrettable riots that have recently occurred in Portsmouth Penitentiary. Without simple justice to all citizens, without protection against crime, business operations cannot be conducted on a permanently profitable basis. The breakdown in law enforcement in the United States, the constant widening of the circle of those who interpret their obligations to society lightly has placed business in that country under a toll of billions of dollars annually, wasted in subsidies to racketeers, graft to politicians, payments to maintain otherwise unnecessary police and courts. Eventually the humble man on the street is the sufferer through unemployment and distress.

The stone walls and iron gates that have enclosed the horrors of Portsmouth have not been sufficient to prevent many illuminating facts coming to light. There seems to be little doubt that the trouble in the prison was very largely a final bursting out of bounds of long pent-up grievances. And of these grievances two are of the utmost significance to the business man and the good citizen.

First, the apparent lack of character building operations in our larger penal institutions.

Second, the political favoritism that apparently brands one criminal entering the penitentiary as a case-hardened individual to be brutally punished and another criminal on the same train as a friend of someone and therefore entitled to preferred treatment. As the bank robber or a cat burglar is unlikely to have any powerful friends at court the political favors are likely to be reserved for men whose crimes are physically less vicious and financially and socially more reprehensible.

* * *

ON MORE than one occasion The Financial Post has said that back of some of the financial crooks, who have been sent to various penitentiaries, were bigger and more influential people whose names were never dragged through the newspaper headlines. Scapegoats, tools, chestnut-pulling monkeys served terms to pay for the illicit gains of favored ones in society. But apparently the friends behind were loyal. The scapegoats soon came out of prison after being punished by an enforced holiday at a summer resort annex.

All over Canada newspapers are alive in protest against the scandals of prison management and the handling of paroles in Canada. The intuition that leads to these protests is thoroughly sound. A wide open public inquiry into all phases of our present penitentiary system is an obvious first step necessary. Otherwise the riot slogan of "steal a million and see Collins Bay" may become the watchword of a movement of growing distrust in and contempt for Canadian justice which will in time crumble the foundations of law and order in Canada.

* * *

National Radio Not So Attractive

PARLIAMENT last spring adopted the policy of public ownership of radio amid the plaudits of those who saw great menace to the public interest either in a private monopoly with regulatory safeguards or in straight private ownership. During the time the special Commons' committee was holding its inquiry, any number of propositions, born of impracticable enthusiasm on the part of the Radio League and other highly emotional organizations, were placed before the public, and, what is more important, were given support by public men who might have known better.

Six months later, however, even the more ardent supporters of the radio policy as enacted by parliament, are beginning to fall prey to doubts and fears. Weaknesses in the statute are being discovered by its promoters and creators. For the most part these weaknesses relate to the control structure

(Continued on page 2, col. 3)

'PEG BLAMES PRICE SLUMP ON CHICAGO

Government Withdraws Support as U. S. Wheat Prices Near 'Peg Level

STERLING DISTURBS

Latest Crop Estimates Show Big Decline for Prairies—Market Undisturbed by Lack of Bonus

From Our Own Correspondent

WINNIPEG. — Wheat prices dropped abruptly by more than two cents a bushel on Tuesday when support from the Dominion Government which had been practically pegging the price at just under 50 cents a bushel was withdrawn. The withdrawal appears to have been forced by a decline in prices in Chicago, which threatened to drive United States prices down to or below the Canadian level, and put markets there on an export basis.

Practically since the opening of the crop year prices in Chicago have been substantially higher than Canadian prices when values of currency are taken into account. The result has been to leave the exporting of wheat from this continent almost altogether to Canada although some United States wheat and flour continued to move out, some of it in fulfilment of earlier commitments made by the Farm Board and certain commercial quantities to markets where the United States has special advantages over Canada.

Some European Buying

To a very small extent commercial shipments of special grades of wheat were made to European markets. Competition in actual shipments from Russia the Danube, Australia and the Argentine has been small and Canada has in consequence been doing more than half of the world's export trade in wheat, the United States produced in 1932 little more wheat than enough for her own consumption during a year, but had the largest carry-over in history more than 363 million bushels.

A holding policy on the part of farmers in the United States coupled with a certain degree of optimism on the part of traders and also the fact that a good deal of the carry-over there is not held commercially but is still being carried by the Farm Board for ultimate distribution through the Red Cross, had enabled markets south of the line to continue above the export level, and some time ago by a wide margin, and the difference in exchange between Canada and the United States helped to maintain this differential, but the differential lately has been narrowing, partly to a growing doubt in the United States as to whether or not it was entirely sound to keep out of the export trade, and the fact that the Canadian price was firmly pegged, due to steady buying which, while not acknowledged, was universally believed to be on behalf of the Canadian Government. Without such support it would have been expected that some weakening in the Canadian price would occur due to the advancing value of the Canadian dollar.

Chicago Dropped Suddenly

The spread had become practically as narrow as it could without bringing large quantities of United States wheat into the export markets, then came Tuesday's drop in Chicago prices which seems to have been to some extent a reflection of the decline in sterling. To continue to peg the Canadian price at it's former level threatened suddenly to divert export business from Canada to the United States. Whether those responsible for the operations

(Continued on page 2, col. 6)

London Confident Of Sterling Holding

Exchange Restrictions in Other Lands, Purchases of French Loan and Seasonal Commodity Purchases Weaken Pound

By HORACE T. HUNTER,
Vice-president, The Financial Post

LONDON.—(By cable). General business conditions show evidence of having improved in Great Britain but in the city financiers are panicky and uncertain as to the early course of events. The fall of sterling is the subject of much discussion.

Industrialists in Great Britain find little difficulty in getting orders from British countries but once they have delivered the goods, they find that governmental restrictions on the transfer of foreign exchange make it impossible for them to collect their accounts and convert them into sterling. This condition, together with large seasonal purchase of commodities and the withdrawal of French balances to permit investment in the new French loan are given as the chief cause of sterling's weakness.

Feeling in London is that, unless European conditions, especially in Germany, get worse, sterling is likely to hold fairly steadily and probably around the present level.

Other important event of the week was the settlement of the wage dispute in the cotton trade.

The Ottawa preference agreements have been generally accepted as deserving of a fair trial. Public and business interest in the agreements has waned.

DEFAULT SEEN ON PRICE BROS. BOND INTEREST

Receivership Would Tide Company Over Bad Period

From Our Own Correspondent

MONTREAL.—Expectations are that Price Bros. and Co. will not meet interest charges on its first mortgage bonds on Monday next.

The regular semi-annual interest payment on the 6 per cent first mortgage bonds fell due on August 1 last. A few days previously it was announced that though every effort had been made to raise the necessary funds, amounting in all to $334,848, the company found itself in a position of having to default payment.

Under the terms of the trust deed Price Bros. and Co. are given 90 days in which to make good the default. Toward the end of last month the company notified the preferred shareholders of the situation and intimated that they might be called upon, at least in part, to provide the required assistance. A later communication was not so hopeful and it is now the belief that the company will not be able to make good the default on bond interest.

Committee is Formed

Following failure to pay the regular semi-annual interest, steps were taken to form a bondholders' protective committee. It was said at the time the committee was in process of formation that a difference of opinion existed as to representation. The underwriters of the bond issue, Harris, Forbes and Co., were said to have sought a preponderant controlling interest in the committee. There was opposition to this proposal and in its final form the committee comprised three representatives of the underwriters and three representatives of the Canadian bondholders.

This committee has made no public announcement since its formation. Though every effort has been made to secure a deposit of a majority of the bonds so that the committee could act for the group as a whole, it is reported that the necessary majority is lacking.

Hold Back Bonds

An unconfirmed story of general circulation is to the effect that certain Canadian interests have adopted a passive or negative attitude. Their holdings which are reported to have been considerably

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STRONG GROUP MAY SOON GET DOMINION GAS

Parent Company May Lose Best Earning Subsidiary

Control of Dominion Gas & Electric Co. may pass from American Commonwealth Power Co. to International Utilities at the end of 1932, or early in 1933, if the parent company, now in receivership, proves unable to meet $3,000,000 of 6 per cent notes held by International Utilities Corp. The latter company, it is understood, would be glad to regain control of a company which has been reporting advancing revenues through every month of 1932 and twice as much profits as are needed to pay interest on the $8,000,000 of 6½ per cent first lien and collateral trust gold bonds due July 1, 1945.

The position of these bonds requires explanation. They are amply covered by earnings as reported by the receiver of the parent company, American Commonwealths Power Corp. Because the parent company, however, had borrowed $396,000 from Dominion Gas, the latter company was somewhat embarrassed on January 2 and April 1, 1932, because of lack of current funds to meet bond interest. The receiver obtained authority from the Court to pay to Dominion Gas enough securities to meet interest due on these dates both on the $8,000,000 of bonds and $3,000,000 of 6 per cent notes. The debt was thus reduced to $212,036 and a six per cent note for this amount due at the end of 1932 was also given. American Commonwealths Power will therefore find itself obliged to meet this note of $212,036 and the maturing $3,000,000 notes if it expects to retain control.

Will Protect Bonds

The Financial Post is informed that the position of the bondholders is not endangered, and that International Utilities is in an exceptionally strong financial condition which will enable it to protect the interest payments on the bonds in order to make good its claim for the junior security of $3,000,000 notes. It is understood that International Utilities owns $3,200,000 of the bonds as well, and that therefore if there is any default in interest on the notes it will be in the predominant position and able to take charge. Such a default would probably mean the disappearance of the junior securities, leaving International Utilities in control.

The bonds which have been going into the hands of the public recently are understood to be from banks which are forcing the sale from the shelves of brokers whose accounts they want reduced. These bonds have been purchased by interests friendly to International Utilities which desires to see them in the hands of investors who will hold until Dominion Gas is in strong hands again. It is also represented that, though control may pass as a result of the present situation, bond interest is entirely unlikely to be affected. Other interests, already interested in financing American Commonwealth's Power to a considerable extent through the receivership, would like to keep Dominion Gas because of its present and potential earning power. However, International Utilities sold Dominion Gas & Electric to American Commonwealth's Power for $15,000,000 in cash and securities, and it now sees in all probability a chance to regain control by its holdings of less than half that amount of securities. It is in position that it needs no further expenditure to accomplish its aims.

The Financial Post is informed that there is no danger of further sums being borrowed by the parent company and that vigilant eyes are on the affairs of Dominion Gas to see that in future it will get the full benefit of its own profits.

Dates Set for Exhibition
From Our Own Correspondent

MONTREAL. — The National Produced-in-Canada Exhibition will be held in the New Sun Life Building, Dominion Square, Montreal, from February 8 to 18 next. Now in its sixth year the Exhibition will be open for ten days, instead of six as heretofore, and occupy the entire fourth floor, and if necessary, the third floor, of the building.

Wine Manufacturers Think Grape Prices Too High

Claim is Made That Ontario Liquor Commission Exerts Influence to Force Price More Than Twice Grapes Used For Other Purposes

Strong feeling is developing among wine manufacturers of the Niagara Peninsula to the effect that the Ontario Liquor Commission is acting both arbitrarily and unsoundly in using its influence to secure about $40 a ton for grapes for the grape growers when used for wine purposes. The market value for all other purposes of the same quality of grapes used for wine is about $15 a ton, and the feeling of the wine manufacturers is that they are penalized to a very grave extent. The Ontario Liquor Commission is an important market to them but they may be penalized with other commissions in competition against cheap imported wines.

In the case of one manufacturer who makes both wine and grape juice he pays $15 a ton for grapes when used to manufacture into grape juice, a non-alcoholic drink, and on the same day in the same place for the same grapes to the same man $40 a ton, if used for wine. This price is not certain as yet as the contract with the growers provides that the prevailing price paid for wine shall govern, but soon payment will have to be made on some basis.

Wine manufacturers still express their willingness to pay a premium for grapes of special variety which are of great value in wine making. They mention particularly such grapes as Delaware grapes, Ives, and Catawbas. Because Concord grapes are so easy to look after and so prolific in growth it is claimed that the fruit men have greatly overplanted Concord vines with reference to available markets. It is stated that they might as well adopt the policy at once of pulling up old vines and of not putting in more Concord grapes. It is felt that under the present circumstances it would be economic to pull up all Concord vines more than 25 or 30 years of age.

Wine manufacturers need special varieties of grapes not obtainable in sufficient quantities in Canada at the present time. They could buy from the United States at favorable prices but present duty does not distinguish between varieties and makes it impossible for them to get on an economic basis such grapes as Ives and Catawba. Ives can be obtained at $40 per ton from the United States but the duty and dumping duty together would make the cost $100 a ton.

B. W. I. TRADE HAMPERED BY SUGAR TREND

Refiners Turn to Africa, Australia for Raw Requirements

BRITISH PREFERENCE

C. N. S. West Indies Service Will Feel Pinch as Sugar Cargoes Decline Sharply

From Our Own Correspondent

MONTREAL.—Trade relations sought for under the Canadian-British West Indies trade agreement and steamship services subsidized by the government are threatened by the fact that Canadian sugar refiners are turning to sources other than the B. W. I. for a large portion of their raw requirements as a result of British preferences given to Colonial raw sugar. Dominions such as South Africa and Australia are supplying increasing quantities of raw sugar to Canada to the detriment of the Colonial sources such as British West Indies, British Guiana, Mauritius and Fiji.

Extent of the new trend, which has become chiefly apparent since April last when the new British preferences were placed in effect, are seen in figures compiled from accurate sources covering Canadian imports of raw sugar for 1932. Dominions will supply 30 per cent of Canada's total raw sugar needs this year compared with 18 per cent last year. West Indian imports will shrink from 57 per cent of the total to 48 per cent and other Colonial raw sugar imports will drop from 20 per cent of the total to 15 per cent. A still larger difference is looked for in the full year of 1933.

Translated into tonnage, British Guiana and B. W. I. will ship 185,556 tons of raw sugar to Canada this year against 235,291 tons in 1931. Other colonial sources will supply 61,194 tons, a drop of 20,000 tons. But imports from British Africa and Australia will increase from 74,197 tons last year to 116,962 tons in 1932.

Effects General Trade

Effects of this changing trend, which is expected to be accentuated in 1933, are expected to have repercussions in general trade with the B. W. I. Sugar purchases from the islands are a major factor in Canadian trade relations with that Colony. Canadian National Steamship services have carried large cargoes of raw sugar; their freight services rest largely on the sugar tonnage in their holds. One of the greatest freight sources of the Government steamship services to the West Indies is diminishing; as the raw sugar trade between Canada and the islands weakens so is the whole trade structure between the two countries jeopardized.

Independent shipping lines plying between Africa and Australia and Canada are carrying increasing volumes of raw sugar cargoes; the decline in business from the West Indies must inevitably be keenly felt by the Canadian National Steamship services which last year operated at a loss of $1,345,361 on the West Indies route. Prospects for any improvement in the situation can hardly be discerned; under present British preferences indications point to a still further swing toward the Dominions in raw sugar purchases.

Dislocates Big Trade Factor

Some perturbation has been felt by business men in the West Indies at the current turn of events. If the West Indies continues to lose out on the Canadian raw sugar market it is losing its chief contact with Canadian trade. True, their sugar exports to the United Kingdom have increased substantially, but the intangible effects in the Canadian market through weakened sugar trade connections is seen as a vital factor in future trade relations.

Dislocation of the West Indian-Canadian raw sugar trade is an interesting example of the effects of preferential tariffs on trade. To appreciate the situation it is necessary to glance at the causes which have led up to the existing trend in Canada's raw sugar purchases which in 1931 totalled nearly $23,000,000 of which 75 per cent came from Empire sources.

British Increase Preference

Since 1925 the British preference on Empire raw sugar has been 3/9 per cwt. which at par of exchange has been equal to 81 cents per 100 pounds. In 1926 the Canadian preference on Empire raw sugar was established at $1 per 100 pounds. On June 15 in the same year the Canadian-British West Indies Trade Agreement was concluded. Late in 1931 Great Britain went off the gold standard and the relationship between the two preferences was then, and has since been, directly influenced by variations in value of the pound sterling and the Canadian dollar.

In April this year the British budget included changes by which Colonial sugar had its preference increased by one shilling and in addition thereto the same sugars in limited quantities received an extra shilling preference. These preferences were adopted for five years. The limited quantity entitled to the second shilling amounts to 275,000 tons for 1932; allocation of the tonnage is made by the Colonial Office among the

(Continued on page 2, col. 5)

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Federal Reserve

U. S. experience in central banking points to many lessons for Canada but one of these is that the Federal Reserve system is unsuitable for this country. Another of A. F. W. Plumptre's capable discussions on a central bank for Canada. Page 9.

Railway Burden

First of a series of revealing articles on Canada's railway problem, written to enable the Duff report to be more intelligently understood; written also as a critical analysis of the commission's recommendations. Page 13.

Paper's Zero Hour

Final offensive in the campaign to solve the newsprint muddle has been launched. Hope is that operators may be forced to pool tonnage to curb price competition. But low cost mills want contracts at any price. A comprehensive story of the renewed battle for solvency. Page 1.

Market Leaders

Dominion Textile has been a stock market leader in the past. Will it be in the future? Page 11.

It Charges Tolls

The Suez Canal has filled a large place in Britain's history but primarily it is a private enterprise making money. Unlike Canada's canals, contributions of the generous taxpayer to ships of the world, it charges tolls. Page 9

Five Day Week

One of Canada's largest corporations is soon to announce it as a contribution to unemployment problem in Canada. This is social and economic news of first importance. Page 1.

National Radio

Serious financial problem looms as national radio commission tackles job. Of three new commissioners not one has had business experience to qualify him for handling over a million a year of public funds. See "The Nation's Business," Page 1.

Norman's Blast

It was disconcerting, this blue speech of Governor Norman. But there must be something behind it. "The World At Large" department, page 6, discusses it, sees a warning to governments.

Newsprint Industry In Bitter Struggle To Avert Price Cut

Limited Policy of Tonnage Pooling is Agreed Upon But Low-Cost Mills Still Chafe for Contracts Permitting Larger Operations Scale

CAN MAKE PAPER BELOW CURRENT PRICE

HIGHLIGHTS OF NEWSPRINT SITUATION

Mills agree on limited pooling of tonnage to avert further price breaks. They have been cutting prices to switch contracts.

Decline in output of industry less than in other fields but over-construction makes financial problem acute. Further receiverships likely.

U. S. publishers mistrust proposed newsprint cartel.

Some mills can make newsprint at $18 to $20 a ton for base cost, if given long-term contracts for near-capacity operation.

Plans for huge consolidation move slowly ahead. If merger comes, only lowest cost mills will stay open. But selecting marginal mills is hard task.

From Our Own Correspondent

MONTREAL.—Pooling of tonnage to a limited extent has been agreed upon by interests representing the newsprint manufacturers, following upon alleged further breaks in the price of newsprint and the switching of certain publishers' contracts.

Meetings were held in Montreal toward the end of last week and early this week, when discussions centred on the current situation. At an earlier meeting it was proposed that tonnage should be pooled and that, in the event of failure to agree, the provincial governments would be asked to take a hand to bring pressure to bear upon those operators in opposition. This suggestion is not likely to go far, as there is no desire to have any of the governments interfere.

At the meeting this week it is understood that relations were friendly between the various interests and that a limited form of pooling has been agreed upon. No details are available as to the extent of this form of co-operation.

No Change in Price

The matter of price and consolidation was also before the meetings and it is reported that there is no change respecting the former, while some progress has been made in connection with the latter.

The newsprint industry, despite all the calamity howling, has not been as hard hit by the depression as other industries. An examination of the facts shows that it has little to complain of in the way of lower demand.

In the greatest year of demand ever experienced by the industry—1929—2,729,000 tons of newsprint were produced. In 1931 production dropped to 2,221,000 tons, a decline of only 18.20 per cent.

During the same period shipments declined from 2,511,000 to 2,008,000 tons, or a loss of under 20 per cent.

Decline 27 Per Cent From Peak

To bring the situation down to date, the official bulletin of the News Print Service Bureau—the industry's own statistical organization — states that in the first nine months of 1931 Canadian newsprint production totalled 1,993,881 tons and for the same period this year 1,451,168 tons—a drop of just over 27 per cent.

Exports to the end of September this year totalled 1,453,907 tons. In the corresponding period of 1929—the all-time high—shipments aggregated 1,980,682 tons, or roughly 27 per cent more. There are few industries which can point to such a small falling off in sales.

The situation is complicated, however, by the fact that during this period the establishment of new mills—through the co-operation of the provincial governments and banking interests—cut down the available tonnage per plant to a point where income was insufficient to cover the high charges created through over-capitalization.

From an operating ratio a few years back of close to 100 per cent, the ratio has steadily dropped until today there are probably less than half a dozen maintaining plant activity at better than 50 per cent. In the Eastern Canadian area, the companies in this category are limited to Price Bros., Mersey Paper, Ontario Paper, Spruce Falls Pulp and Paper, and possibly James MacLaren Co.

When it is considered that the newsprint companies were financed on a basis of operations at 80 per cent of capacity and newsprint prices at a level considerably higher than today, it is little wonder that all of the publicly financed companies are in financial difficulties.

Cut Price to Get Orders

The management of these companies have long recognized that their only salvation could come through securing greater tonnage. This implied price cutting. Such a procedure was regarded as dangerous and in 1928 — when the troubles of the industry were infantile compared to what they are today—the Newsprint Institute of Canada was formed to allocate new business to the member firms and to maintain prices. This association, largely sponsored by the governments of Ontario and Quebec—included the majority of operators in Eastern Canada, with the notable exception of International Paper.

Theoretically the institute should have been a corrective influence, but due to distrust and inability to co-operate, its operations were only partially successful and eventually it was wound up.

Before the institute went the way of all other organizations which have attempted to artificially con-

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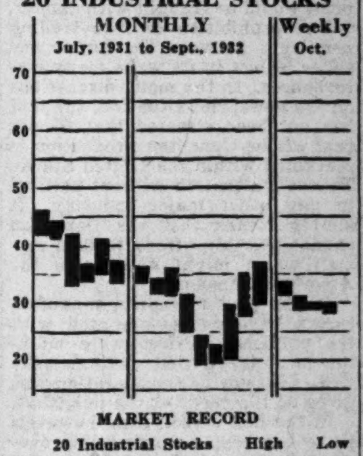
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 25	30.0	28.3
Week of Oct. 18	30.3	28.9
Month of Oct., 1931	36.0	32.9
8 Bank Stocks		
Week of Oct. 25	178	175
Week of Oct. 18	180	177
Month of Oct., 1931	216	216
10 Public Utilities		
Week of Oct. 25	48	46
Week of Oct. 18	48	47
Month of Oct., 1931	59	56

FIVE-DAY WEEK IS CONSIDERED BY IMPERIAL OIL

May Sponsor Job-sharing Plan to Give Worker Security

OTHERS MAY FOLLOW

Policy May Lessen Calls For Relief—Spreading Leisure as Well as Work

After long consideration of every issue involved, it is understood that Imperial Oil, Ltd., directorate is favorably inclined to an early trial of the five-day week as the most efficacious way of ensuring work to all employees now at work and of providing jobs to others who might otherwise be workless. Study of this plan as now being worked out by many large companies in the United States has led officials of this company, and of some other large corporations in Canada, to believe a job-sharing plan would work very beneficially in Canada. It is not thought by these men that it will solve all difficulties of every company or that it can be applied to every class of labor. For instance, it will have no effect on the fortunes of companies which are already by sheer necessity working on a two, three or four-day week basis but it is expected to be of great advantage in communities where large numbers of workers have been displaced by the efficiency of modern labor-saving machinery.

Give Labor More Leisure

The problems of unemployment have been a matter of the gravest concern to large employers of labor both in Canada and the United States. It has been felt that though the business depression is regarded by many as the cause of unemployment, growing unemployment itself, with its concomitant of decreased purchasing power, has aggravated the depression far beyond what otherwise might have occurred. They have come to the conclusion that the growing efficiency of industry, and of industrial machinery especially, becomes a menace to civilization unless each new labor saving device is accompanied by a plan to spread the benefits among workers as well as capitalists by giving the former more leisure. It is pointed out that until 1930, industry was doing that to a considerable extent. No longer than 15 years ago whole industries employed men on shifts of 12 hours a day for a seven-day week. That was succeeded by a 60 hour week by giving a Sunday holiday and this in turn by the 48 hour week. The reduction in hours of labor was accompanied by continuous advances in technological and mechanical efficiency. Wages and salaries went higher and employment actually increased except for short intervals now and again.

Loses Half Day's Work

In the United States the Share-the-Work movement of the Federal Reserve Banking and Industrial Committees is under a co-ordination committee headed by Walter C. Teagle, President of Standard Oil of New Jersey. This campaign asks those with jobs to share them progressively until everybody is once more at work producing, consuming, earning and spending. The rate of wages or salary does not exchange except that pay is only for the time worked. For example, Imperial Oil employees work a week of five and a half days. By cutting off half a day from this week, the natural result would be the drop of ene-eleventh in the remuneration of all but those in the lower categories of income.

The President of the United States has recognized the suggestion that work now available should be spread by insisting on a shorter week for civil service employees at Washington so that all who are employed keep their jobs though at less pay and others are employed by the money thus saved. Many states and municipalities are considering following this lead. It is recognized that by this method every new in-

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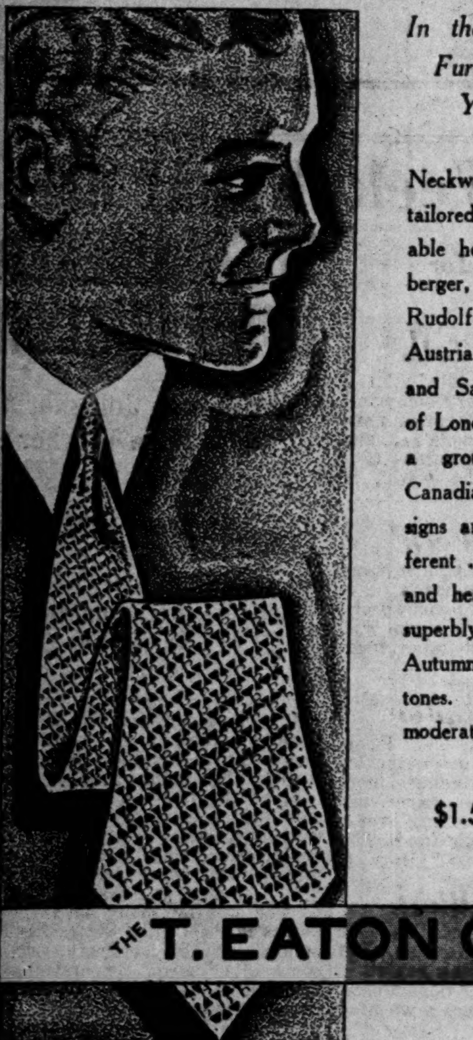
VIEW OUR NEW
Autumn Neckwear



In the Men's Better Furnishings Shop, Yonge Street

Neckwear designed and tailored by such fashionable houses as P. Hamberger, of Paris, France; Rudolf Lowe, of Vienna, Austria; Welsh Margetson and Sambrooke-Witting, of London, England; also a group from leading Canadian houses. The designs are refreshingly different . . . materials rich and heavy . . . colors superbly blended in Autumn's most favored tones. They are quite moderately priced.

$1.50 to $3.00

THE T. EATON Co LIMITED

The Nation's Business

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adopted. It is now suggested, as an after-thought, that there should have been buffers here and shock absorbers there.

Apart from these relatively minor deficiencies in the new radio control set-up, it can now be suggested that several fundamental weaknesses have been disclosed, and that the troubles under the system are just by way of beginning.

The grave danger now exists that the commission will be going to Parliament for millions to spend or invest. How much it will ask for, depends on its ambitions.

* * *

FIRST there is the personnel of the commission, recently appointed by the government. The chairman is Mr. Hector Charlesworth, dramatic critic, litterateur, editor, who, unquestionably, is a man of sterling character and one of our most distinguished critics of the aesthetic in life. Mr. Charlesworth certainly is equipped to make a very valuable contribution to the radio public, but he is not a trained business executive nor an administrator.

The vice chairman is Thomas Maher, of Quebec City. His integrity certainly is not a question. But his qualifications for the post appear somewhat nebulous—political affiliations disregarded. Mr. Maher is said to be a forestry expert and to have had some radio experience operating a small station in Quebec. He has been an active supporter of the Conservative party, an organizer in Quebec, and was a defeated candidate in the last general election.

The third member is Col. W. A. Steel, well known at Ottawa as the necessary technical radio expert but without large scale administrative experience.

This group of men now take charge of radio broadcasting in Canada and will have direct responsibility in administering something over $1,000,000 per year and the responsibility of making very large capital outlays.

It is a fair question to ask if private enterprise either as a monopoly or otherwise would have set up a similar management? If so, could the public have been persuaded to invest money with a hope of obtaining a return?

STILL another aspect of the radio policy is now becoming apparent. Last session it was claimed by supporters of public ownership that radio broadcasting could be financed successfully without costing the taxpayers a five cent piece, financed out of license fees. Parliament was asked to ear mark these fees for the radio commission and then let matters take their course.

It must now be fairly obvious that this financial provision is utterly inadequate and that the only recourse will be a sharp increase in radio license fees, partial confiscation of privately-owned radio stations, or additional money votes by Parliament. It is not improbable that all three courses will be adopted.

There are 750,000 radio sets in Canada and so far this year something under 575,000 license fees, of $2, have been collected. Allowing for collection costs the income from license fees will not exceed $1,100,000.

To begin with the cost of the commission with offices and staff will run to at least $50,000 per year. The chairman is to be paid $10,000 and the other two $8,000 per year.

Next is an item of leased wires. In order to function nationally the commission will have to lease the wires over which to carry programmes, and the only possible policy will be to lease these wires on an annual basis and for a considerable time each day. The cost here will not be less than $300,000 per year.

Then will come the programmes. The commission will be expected to originate programmes and if it does nothing more than the National Railways did the cost—which is a matter of record—will run to $175,000.

Having the wires and the programmes, the commission will have to arrange to have the programmes broadcast either through its own or through privately owned stations. The cost, here, will depend upon how many hours of time are rented per day. A rock bottom figure is $300,000 per year and if a considerable time is rented every day, the total will quickly run up to $600,000.

Against these expenses some indefinite income from "advertising" is expected.

* * *

OBVIOUSLY, the commission's total income will not leave much scope for improvement of radio broadcasting and none whatever for carrying out the grandiose scheme of capital investment or expropriation contained in the report.

It is being suggested that the commission will have power to demand the broadcasting services of existing privately owned stations, without cost. But this, of course, would be a straight case of confiscation.

The commission can acquire some stations at small cost. It can take over the three National Railway stations—at Moncton, Ottawa and Vancouver—at a cost of, say, $100,000, but this would be merely touching the fringe of the problem, and none of these stations is equipped with modern studios or first-class apparatus.

To build each 50,000 watt station—and several of these were recommended in the report—all to be built without cost to the taxpayer—will cost upwards of $300,000, and another $300,000 per year to operate efficiently.

In other words, the Radio Commission will discover very early in the game, that the financial arrangements made for it are totally inadequate. By increasing the fee to $3 per year, the path may be opened for small capital outlays and something more ambitious in the way of programmes. But the more probable outcome is that within a year or two Parliament will be asked to vote additional money out of tax receipts.

Once the raid starts it may not stop short of $10,000,000 or even $50,000,000.

NEWSPRINT INDUSTRY IN BITTER STRUGGLE TO AVERT PRICE CUT

(Continued from page 1)

trol production or prices of an international commodity, banking interests took a hand in the situation. They formed the Newsprint Committee, whose original aim was to bring about a unified policy for the industry through the consolidation of the principal operators. It was recognized that co-operative measures could not and would not be possible; that in order to set up a standard policy for the industry as a whole it would be necessary to secure corporate control.

Sub-committees were formed and elaborate questionnaires were sent to each company asking for data on properties, costs, tonnage, etc., so that the committee could get a clear-cut picture of the situation and devise some means of bringing about a consolidation. The work of collecting material has been going on for over a year.

From Bad to Worse

Lately the situation within the industry has been going from bad to worse, if that were possible. Two of the larger companies are in receivership. Another is on the verge of being placed in the same position. How long the others will hold out is a matter of speculation.

It is to be said of the Newsprint Committee that its existence was a major influence in holding the industry together over the past several months. At the same time it is equally important to note that the committee held an "umbrella" over those companies which, for one reason and another, were not in a position to withstand a fight for tonnage. This, in effect, amounted to an artificial maintenance of price. Had it not been for the committee, there is every reason for believing that the price of newsprint would have been below $50 a ton long before this.

Price Level Not Observed

For many months past the price of newsprint has been under the established standard of $53 prevailing up to a few weeks back. Officially $53 was the standard contract price for newsprint, but due to the urgency of securing more tonnage, few companies observed that figure. Last month the market situation was revealed in its true colors when the official rate was cut $7 a ton ($8 in the case of deliveries to certain ports).

It matters little which company first broke the official contract price for newsprint. In some quarters Price Bros. & Co. is held responsible; in others, International Paper is said to have been the initiator.

With the break in prices, however, it became clear that certain companies, which were in a position either financially or from an operating point of view to do so would make every effort to secure further tonnage. The committee has been a restraining influence, but despite this brake the price situation has been further confused by reported additional price concessions and the switching of contracts.

Graustein Under Fire

Within the past few days Price Bros. & Co. is reported to have lost the Toronto Globe contract to International. The Montreal Gazette contract is also said to have been transferred from a Canadian producer to International. These moves have brought the charge that International has not lived up to its promise to co-operate on the matter of price-maintenance, but International, on the other hand, says that it has not deviated from the price schedule set up last month.

The alleged breaking of the price by International has drawn a storm of criticism on the head of A. R. Graustein, president of International Paper and Power Co. Whether or not it is justified is a matter outside the realm of this review.

In discussing alleged breaking of contract prices and in fairness to International, however, reference should be made to the reported and seemingly well-founded story that a Canadian company has broken contract prices in another direction.

For several years Consolidated Paper and Price Bros. & Co. have occupied a strong position in the Australasian market. They have been able to keep prices at an equitable level. Within the last few weeks this arrangement has been thrown overboard by the reported action of Mersey Paper Co. in stepping out and taking several thousand tons of this business at a price below the established market.

If further evidence of price breaking is required one might look toward Great Lakes Paper Co., being operated in receivership by the National Trust Co. It is currently said within the industry, by those for and against International, that Great Lakes has been offering newsprint on a New York delivery basis at a price below $40 a ton. This compares with the present official rate of $45 a ton.

Not Agreed on Price Fixing

The desire on the part of the Newsprint Committee to protect the industry, which is the most important manufacturing industry in the Dominion, receives support, but the advocacy and support of price maintenance, control of production or allocation of tonnage is regarded with wide difference of opinion.

There are three factors in viewing the situation—financial, marketing and price. And of these, the latter two appear to have been relegated to the background in favor of the former.

In their approach to the problem the Newsprint Committee have rather ignored the consumers' angle and apparently have a misconception of the extent to which the manufacturers, whether combined or not, are in a position to dictate to the world market.

Dangerous Move

World production of newsprint runs around 6,600,000 tons, of which Canada produces about 2,200,000. The ratio between Canadian and world production of newsprint is not dissimilar to wheat. Yet the attempt of the wheat pool to create an artificial situation cost the Dominion many millions of dollars and seriously disturbed existing trade channels. Such a move in relation to newsprint would be fraught with danger.

The prohibition of free trading privileges between the buyer and seller brings in its wake many disturbances. In the many discussions on the newsprint situation, the fact has not been stressed that 85 per cent of the Canadian production is marketed within the United States. This is a situation without parallel in any other major industry. It simply means that the Dominion cannot possibly afford to take any step which might antagonize the American consumer.

In the past newsprint manufacturers have not co-operated with the publisher. Prices were maintained at levels that were unjustified. Little or no consideration was given to the needs of the publisher.

In the last three years, however, there has been a marked improvement in the relations between the manufacturer and the publisher, but the latter is still a bit sceptical about the good intentions of the former.

On more than one occasion activities of the manufacturers have been the subject of investigation in the United States. In the past the publisher has had reason to distrust the producer. Today he is well organized to resist any attempt to combine or effect a cartel interfering with a natural price or supply of newsprint.

What Does It Cost?

The matter of price is a controversial one. It is only within the last two years that the manufacturer has been finding out what it costs them to produce a ton of newsprint. It is only during the same period that he has been able to determine with any degree of accuracy what his basic costs are and that only because he was forced to do so by the change in conditions.

One slant which seems to have escaped general attention and that is how prices can be justified at or above present levels in the face of the claims made by most of the large producers, via their questionnaires, that their base cost for newsprint is between $18 and $23 a ton on a long term programme.

Even with operations on a basis considerably under the theoretical capacity of 80 per cent., more than one newsprint producer is now producing paper at a base cost of $28 a ton or less.

If newsprint can be manufactured at this level, and there is no reason to doubt that it can be done by more than one company, then newsprint can be produced profitably at $45 a ton and a return made on capital if the operating ratio is stepped up to the theoretical capacity. This can only be done at the expense of the less efficient and economically sound units.

What Merger Means

A consolidation means, the existing tonnage will go to those mills which are most efficient; in other words, largely to those mills which are now operating at better than average ratio. And when those mills are operating at capacity, the balance of tonnage will be supplied from the other and more costly mills.

The situation has gone beyond the point where the financial structure of a company is going to decide the likelihood of its continuing in business or otherwise. It is necessary to go further than that and determine which properties will justify their permanent existence in terms of superiority in the three vital requirements, viz., cheap wood, cheap power and efficient equipment and organization. The capital structure can be adjusted with almost a stroke of the pen, but that will not give mills which lack them adequate or reasonably priced wood supplies, without which their elimination is likely to be automatic.

Which Are Marginal Mills

Trying to decide which are the marginal mills on the basis of the questionnaire sent out by the Newsprint Committee is looked upon as a monumental task. It is said that wide variations of interpretations of the questionnaires, make them almost worthless and many months would likely be consumed in thrashing out the multitudinous differences and revamping the final results so that they will really be comparable. The extent to which some forecasts differ from performances to date is said to be truly remarkable.

It is possible to determine which companies are best fitted to survive the present situation. That step having been accomplished, consideration would have to be given to the remaining units to determine whether or not they should be carried along until such time as the increase in demand permit their resumption of operations.

Uneconomically Operated

One of the principal reasons advanced in favor of a consolidation is that production can be concentrated in those units which can most economically handle the business. The other mills could be temporarily or permanently closed down. Such a step has already been effected by circumstances, though some mills are still being operated when the volume of business does not justify such a step.

If one allows that newsprint can be manufactured profitably at $45 a ton on plant operations of around 80 per cent of capacity, it follows that the matter to be considered is whether or not the high-cost producers should be carried along at the expense of the other companies and the industry as a whole!

There are many good reasons why unrestricted competition should not be allowed, but a permanent solution to present problems is not likely to come through pooling of tonnage, consolidation or price maintenance. It rests with the committee and other interested parties on whether a major operation will be performed or whether some expedient will be adopted to tide over matters temporarily.

Product of Mistakes

The last major consideration is the financial one. Ill-reasoned attacks have been launched against "American interests who threaten to throw the Canadian newsprint industry into bankruptcy." If the Canadian industry is close to bankruptcy it is largely because of the mistakes made by "Canadian" companies, and not to the activities of American interests.

The point has been overlooked that the money for the building of the Canadian newsprint industry came largely from the United States. More capital was raised among American investors than from all other groups combined.

International Paper and Power Co. directly and indirectly has some $250,000,000 invested in Canada. Abitibi Power and Paper Co., promoted and financed by Americans, has a big stake in Canada. Spruce Falls Pulp and Paper and Ontario Paper Co. are American owned and financed. Much capital for the component units of St. Lawrence Corp. came from below the border. The old Canada Power and Paper got a fair proportion of its capital from the United States, while out on the West Coast, Pacific Mills is American-owned and operated. Nor should the fact be overlooked that English investors provided a substantial share of the capital raised to take care of the industry's needs.

Investors in the United States, England, Canada, Belgium and elsewhere have and will have to take heavy losses before the industry is again on its feet. And in making financial sacrifices the banks, too, will have to bear their share.

"Sound, Reliable"

From a reader in New Glasgow, N.S.:

"I find The Post very helpful in its criticisms and its form of governmental policies. Also advice on industrial questions sound."

From another reader in Westmount, P.Q.:

"Enclosed herewith please find cheque for $2 in payment of copy of Survey of Mines. I read The Financial Post every week and find it most interesting and reliable."

DEFAULT SEEN ON PRICE BROS. BOND INTEREST

(Continued from page 1)

augmented over the past few weeks, have not been deposited.

Canadian interests are understood to be opposed to depositing their bonds with the committee for two reasons, namely, the cost of releasing the bonds from the deposit agreement in event of disapproval of the committee's plan, and, secondly, to the strong position occupied by the American underwriters. It is also said that a foreclosure on the property is favored by the underwriters, but such a proposal does not find favor here.

Ask For Receiver

In the event of the company being unable to meet its interest charges on Monday next it is likely that a receivership will be asked. This will provide for keeping the company intact and permit of further efforts being made to place it in a stronger financial position and, eventually, may bring about a lifting of the receivership.

Position of Company

The position of Price Bros. and Co. does not greatly differ from that of the other companies in the newsprint field, except in that its plant operations are at a higher ratio than the average. The company has a fair volume of business, both from Beaverbrook and elsewhere, but net revenues are limited. The last cut in newsprint prices has adversely affected the company.

The company is meeting its current bills, however, and bank loans, which stood at nearly $4,700,000 at the end of February last, have been reduced.

Operating costs have been pared down to a point where they compare favorably with those of other companies in the same business.

Need Working Capital

The need of the company is additional working capital but it is likely that this will be forthcoming until the newsprint situation clarifies. There is reason for believing that the company would have no difficulty in raising the necessary funds were it not for the uncertain newsprint outlook.

An early solution is not looked for and for that reason application will be made for a receivership so that operations can be continued uninterrupted until such time as it is possible to raise working capital.

Meanwhile market value of the bonds fluctuates over a wide range. There do not appear to be any firm bids. Large blocks have been taken off the market, however, which has tended to strengthen the market technical position of the security.

'PEG BLAMES PRICE SLUMP ON CHICAGO

(Continued from page 1)

were moved by this consideration or by the obviously increased financial commitments they were facing is not known but at all events buying abruptly ceased.

The first sign of decline brought in a good deal of selling, some of it apparently by interests who had felt that the Government had established a safe bottom to the market, and some of it farmers' grain against which advances had been made. Whether or not any Government grain was let out in order to re-establish a satisfactory relationship with Chicago and the extent to which there was later some market support from the same support are matters on which some difference of opinion exists.

Knowledge that the Dominion Government is involved in the market to a very large extent is believed to have kept buying from other sources to a minimum and to have been reflected in other markets as well. The North West Grain dealers have published their annual crop estimate setting the total western wheat crop at 409,896,000 bushels considerably lower than government and other estimates earlier made. The oat crop is put at 237,000,000, barley at 64,000,000, rye at 7,000,000 and flax at 3,000,000. That might have had a slight bullish tendency under other circumstances.

Lake freight rates have been reduced, apparently mainly as a result of public protest against recent increases from 7 cents a bushel from the head of the lakes to Montreal to six and half cents.

No great notice from a market standpoint has been taken of the announcement of the Dominion Government that there would be no wheat bonus this year, in spite of the recent request made by the western provincial premiers and the subsequent statement from Ottawa that the matter was under consideration there was no belief that the Government would take action. It would have been regarded as a weakening feature if established, as tending to accelerate country deliveries, but in some quarters the theory has been held that the Government might, to advantage, announce that it would cease to interfere with the market while at the same time undertaking to make up to farmers the difference between actual selling price and a basic rate of 50 cents a bushel.

B. W. I. TRADE HAMPERED BY SUGAR TREND

(Continued from page 1)

several producing Colonies. It was stated that both preferences would be liable to adjustment if during the five years sterling wholesale price of foreign full duty sugar rose above 7/6 per cwt. Cost of the concessions to England were estimated at £1,100,000 for 1932.

In this way the British preferences became:

Dominion Sugars	3/9 per cwt.
Colonial Sugars (in general)	4/9 per cwt.
Colonial Sugars (certificated)	5/9 per cwt.

Total quantity of certificated sugars is 275,000 tons and of this amount 139,200 tons is allocated to British Guiana and the British West Indies. The total exportable surplus of these two colonies was about 360,000 tons in 1932.

Dominion Sugars Cheaper

Note the effects of this preference on the price of sugar in the United Kingdom market. At recent levels world price in London for non preferential sellers was 5/10½. Under preferential tariffs Colonial sugars would sell at the world price plus their preference of 3/9 per cwt. plus the additional shilling. Dominion sugars on the other hand were selling at one shilling lower. The following table does not take into account the second shilling in certificated sugars.

	c.i.f. U.K.
World market (non-preferential)	5/10½
Preferentials (Colonial)	5/10½+4/9=10/7½
Preferentials (Dominion)	5/10½+3/9=9/7½

The Imperial Conference at Ottawa was productive of no change in conditions affecting sugar. Thus the natural consequences of the changes introduced by the latest British budget is to direct Colonial sugars to Great Britain and Dominion sugars toward Canada. A variety of factors intervene to prevent such movement taking place utterly, but close observers see the partial and probably considerable dislocation of British West Indian sugar shipments to Canada as inescapable.

Six Year Trend Disclosed

Sufficient time has not yet elapsed to disclose the full effect which this changed relationship between the Canadian and the British preferences will produce, nevertheless an interesting comparison from 1926 can be made. The following table shows total raw sugar imports into Canada, with figures corrected for re-exports, together with distribution of imports in percentages.

Figures for 1932 are arrived at by entries to date plus known commitments, plus certain estimates. Prepared by an individual in close touch with the situation it is stated that the estimated figures are not such as to disqualify the ratios and comparisons. In considering the year 1926 it should be remembered that until April 15 when the change was made to $1 the Canadian preference was but 83 cents per 100 pounds.

	Raw Sugar Imports Less Re-exports (Tons)	Percentages: B.W.I. Brit Guiana	Other Colonial	Dominions	Foreign
1926	372,100	45.63	6.60	8.92	35.85
1927	330,287	58.75	12.20	9.46	19.59
1928	376,745	56.85	22.16	2.07	18.92
1929	352,232	56 52	15.33	.96	27.19
1930	389,192	62.58	20.75	10.40	6.27
1931	407,823	57.69	20.10	18.19	4.02
1932	385,193	48.17	15.89	30.36	5.58

FIVE-DAY WEEK IS CONSIDERED BY IMPERIAL OIL

(Continued from page 1)

dividual employed lessens the strain on relief funds in the coming winter and the fear of growing taxation. It is hoped as well that a wider distribution of work and spending power may have a good effect on business and industry.

Employers Apply Plans Differently

In the United States no set plan has been offered industry. Each industry, which is still working five and a half or six days weekly, is urged to reduce hours of labor whether the reduction is taken off the day, the week, or the month. Job-sharing might easily go too far, it is recognized, and therefore the working out of the suggestion is left for the community and the employer to decide. It is urged that salaries or wages which are little above the subsistence level should not be touched. But the committee does suggest to companies that their problems should be attacked by spreading work when there is seasonal slackness, and by employing more people when things get brisker, rather than by laying off in slack times and increasing hours when business gets better.

This may now be said to have become a national policy South of the line. In Canada, although conditions have not become as acute as they were and are in the United States, there is nevertheless great distress as a result of unemployment. Job-sharing is looked upon as one way to hasten recovery. The argument to employers in the United States in favor of this policy has been: first, it is to the employers' advantage to hasten business recovery by work-spreading; and second, it is to the advantage of the worker to attain job security by job-sharing.

Making Machinery Aid Labor

Imperial Oil has been in the van so far as making every improvement in process and machinery and equipment which could make its products more efficiently and economically. Hours have become shorter progressively in the last 15 years. The company has never had a strike. It has joint councils of employers and employees where matters of interest to all workers are considered. But it also has to cope with seasonal drops in demand because many people use their cars much less or not at all in the winter time. It has tried to meet the situation by extending the use of its products. Particularly at present it has been backing an extensive campaign to put Gilbert & Barker oil burners in homes, a policy which will result in greater demand for fuel oil. All these things help but it is felt that they do not constitute the organization's full effort to meet the malady of unemployment from which society is suffering.

But directors feel, it is understood, that workers will be happier if their jobs are secure, if temporary drops in consumption do not result in lay-offs and that a trial will show them that this assurance is worth the one-eleventh drop in remuneration. If the policy becomes general, it is hoped that continuous employment will lead to more use of oil products, to greater buying from retail stores and thus to a greater demand on industry generally.

The idea behind the Imperial Oil plan, and in the minds of executives of other companies who have been considering trying this plan, is that unemployment is now so pressing that everybody has to combat it. Governments and municipalities have their work to do but it is argued that the business community as a whole can make a great contribution. It is argued that without some such measure as this the time of revival from the present depression might be indefinitely prolonged. Many feel that the present time is the best time to put this plan into effect, saying that other economies and adjustments have been made and that in most other respects industry and business are better adjusted to go ahead if purchasing power can be spread. It is also urged that if the worst occurs, and the depression persists for some time longer, there would be a great advantage if workers retain confidence that their jobs will be secure.

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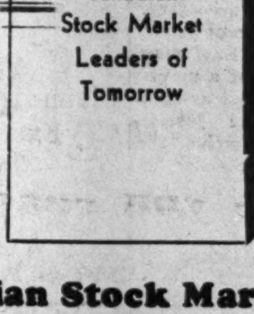

Canadian Stock Market Leaders of To-morrow

Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available at **25c**

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C. N. R. Net Gains 100 Per Cent Last Month

From Our Own Correspondent

MONTREAL.—Net revenue of the Canadian National Railways in September showed an increase of over 100 per cent compared with the same month last year. Net was $2,828,833 against $1,387,081 in September, 1931.

Gross revenues were down slightly over $1,000,000 but operating expenses were $2,492,968 under the figures for September last year. Operating ratio in September was 79.95 per cent against 90.85 per cent in the same month last year.

Following are comparative figures for September in the last two years:

	1932 $	1931 $	Dec. $
Gross rev. ...	14,108,689	15,159,905	1,051,216
Oper. exp. ...	11,279,855	13,772,823	2,492,968
			Inc.
Net rev. ...	2,828,833	1,387,081	1,441,752

For the first nine months of the year net revenue totalled $6,200,117, an increase of $2,634,346 over the same period in 1931. Gross revenues dropped $25,325,834 but expenses were lowered by $27,960,180.

Westminster Paper Operates Full Time

From Our Own Correspondent

VANCOUVER—Although Swedish competition has been felt severely in the Australian and New Zealand markets this year, Westminster Paper Co. has enjoyed a good year, according to J. J. Herb, president. Despite a decline in prices, the company was able to improve its position and a dividend of 4 per cent on the capital stock has been declared.

With a payroll of 100, the company has been operating full time all year and export business is being well maintained in most lines.

What's New in Radio

The answer is, of course, everything. Radio is attracting to itself the best brains engaged in every form of human endeavor — metaphysicians to burnt-cork wisecrackers.

The field is so vast that some periodical is needed that will record radio's happenings, assay their importance and accurately record the time of their occurrence.

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RECENTLY The Financial Post published a series of eleven articles on the ten depressions that Canada has come safely through in the last one hundred years, and on the eleventh which she is now experiencing. Tremendous interest was shown by many readers in these articles; they have now been reprinted in the form of a small booklet which is available at nominal cost.

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MAIN CLAUSES NEWF'DLAND PACT DEPEND ON ORE

U. K. Agreement Hinges on Success of Iron Ore Import Plans

LIST IS WIDE

Total Imports on Which U.K. Receives 10 p.c. Preference Amount to Over $6,000,000

A satisfactory arrangement for the importation of Wabana iron ore into Great Britain from Newfoundland is the keystone around which the Newfoundland-Great United Kingdom trade pact is built, according to details of the agreement made public simultaneously in Newfoundland and London recently.

The pact itself contains nine articles and five schedules but according to correspondence which passed between Rt. Hon. Stanley Baldwin and Hon. F. C. Alderdice, at Ottawa, and which is published simultaneously with the agreement, only 3 articles of the agreement and one of the schedules will become effective unless a satisfactory arrangement as to iron imports is achieved. Right of cancelling the other provisions will lie with Newfoundland.

Key Sections Govern U. K. Trade

Key sections of the act are those concerning which Newfoundland has the right of veto if iron ore plans do not mature. Firstly they provide that U. K. extend Empire preference to Newfoundland goods in the British market and ensure continuance of preferences now accorded and which would otherwise lapse after November 15. These preferences are to extend for five years (the life of the treaty) except in the case of eggs, butter, poultry, cheese and other milk products which may enter free for three years certain with the possibility of quantitative regulation after that time.

In respect of cod-liver oil and chilled or frozen salmon, the U. K. agrees to impose a tariff of 1s.4d. per gallon and 1½d. per lb. respectively, on foreign imports. The U. K. also agrees that the general tariff of 10 per cent now imposed on imports of foreign cod fish and marine shell, shall not be reduced without the consent of the Newfoundland government.

Newfoundland List Wide

For its part, the Newfoundland government undertakes to allow a 10 per cent British preference to some 61 enumerated items in the Newfoundland Customs tariff. On 14 of these items, it is stated that if a 10 per cent preference involves a loss of revenue to the Newfoundland government, a lesser margin will be allowed.

Leading Newfoundland Trade Items Affected By British Preference
(Fiscal year ending June 30, 1931)

	Total Imports	Imports from G.B.
Ready-made clothing..	$644,371	$169,875
Machinery*	386,289	64,101
Confectionery	323,614	......
Cotton goods, (mfg'd)	328,430	56,591
Woollen goods (mfd).	305,644	135,960
Autos & tires	394,201	5,469
Acetate, medicines, etc.	299,077	47,238
Cotton, piece goods ..	281,755	72,712
Leather boots & shoes	227,050	40,221
Mining equipment ...	217,423	33,292
Soap	208,321	174,693
Wool, piece goods ...	199,077	168,410
Hats and caps	156,947	46,421
Paints, etc.	145,000	59,127
Wrapping paper, etc.	144,332	18,859

Newfoundland also agrees to undertake a general revision of its customs tariff as from July 1, 1933 and "if and in so far as budgetary considerations permit, will incorporate in legislation, provision for new and more favorable conditions in regard to valuation of the pound sterling for customs purposes."

Sections of the act which will become effective irrespective of whether or not a favorable arrangement for iron ore imports can be arrived at, are briefly as follows:

1. That the U. K. will invite non-self-governing colonies and protectorates in the Empire to accord Newfoundland any preference which may for the time being be accorded any other part of the Empire. This will not apply to agreements between North Rhodesia and South Africa, South Rhodesia and the territories of the South African High Commission by virtue of the Customs agreement of 1930.

2. That Newfoundland will accord to non-self-governing colonies and protectorates preferences on a selected list of commodities as given below and also any preferences for the time being accorded to the U. K. if the U. K. so requests. This section does not apply where a protectorate does or does not accord preferences to Newfoundland or where a preference granted to some other part of the Empire is not accorded to Newfoundland.

The schedule referred to and the margin of preference allowed by Newfoundland in each case follows: coffee 2c. per lb.; fruit, oranges, lemons, etc., 10 per cent; cocoanut 4c. per lb.; tea 4c. per lb.; vegetables, raw, viz., tomatoes, 20 per cent

Calgary Power Seeks to Expand

From Our Own Correspondent

MONTREAL. — Negotiations have been undertaken by the Calgary Power Co. to acquire the utility system of the town of Macleod, in southwestern Alberta. The matter has been placed before the council, but no decision has been reached by the ratepayers.

Heretofore Calgary Power has been supplying the power requirements of Macleod. A short time ago the company extended its transmission lines to connect up with those of the East Kootenay Power Co. and also to supply the city of Edmonton. Operations in the northern field have been extended considerably since then and the move to acquire the Macleod system would indicate similar plans for the southern portion of the province.

ALEXANDER BLDG. CHALKS UP DEFICIT

Balance Sheet at April 30 Reveals Weakened Position

From Our Own Correspondent

MONTREAL—Financial statement of Alexander Building Corp., which recently defaulted on its funded debt charges, for the year ended April 30, 1932, shows that income was sufficient to take care of interest on the first mortgages but the balance did not cover interest on the debentures, while after all charges, there was a deficit of $52,027 on the year's operations.

Revenue from all sources totalled $240,073. Prior charges such as operating expenses, taxes, insurance, amounted to $98,138, leaving a net revenue from operations of $141,935. First mortgage and debenture interest combined totalled $56,648, making for a deficit of $14,715 before depreciation charges which amounted to another $37,314.

The balance sheet as at Dec. 30, 1932, reveals total assets of $3,083,094. Current assets are carried at $9,838, against current liabilities of $130,611. Amount due from J. A. Jacobs totals $57,834, while funds on hand at the Montreal Trust Co. for various purposes amount to $10,871. Deferred assets aggregate $3,464, while fixed assets amount to $3,001,086. The latter is sub-divided as follows. land, $1,500,000, buildings $1,400,000, equipment $100,578 and office furniture $508.

On the liabilities side of the balance sheet current accounts total $130,611, including $94,795 owing to the City of Montreal for taxes. Notes payable, together with interest, to Nesbitt, Thomson and Co. are shown at $47,165.

Reserves are shown at $228,958 and bond and debenture interest accrued at $11,527.

Funded debt, less redemptions, totals $2,255,500, including $1,955,500 of first mortgage bonds and $300,000 of debentures.

Capital and surplus is shown on the books at $719,559, less $311,188 deficit to date, or $408,370.

Russian Petroleum Imports Raise September Figures

September imports of crude petroleum in its natural state amounted to 76,913,048 gallons valued at $2,238,277, of which 58,688,262 gallons at $1,741,337 came from the United States, Venezuela, 7,693,829 at $90,626, Peru 5,252,527 at $212,102, Colombia 4,221,381 at $167,283, Trinidad 1,057,049 at $26,929.

Imports of crude petroleum not in its natural state amounted to 4,323,515 gallons valued at $195,253, of which 2,560,700 at $110,336 came from Russia, 1,750,243 at $84,367 from Trinidad and 21,572 at $550 from the United States.

The importation of petroleum, not including petroleum for refining or illuminating or lubricating oils, amounted to 5,808,268 gallons at $238,138, 3,990,054 at $196,110 coming from the United States, 1,266,398 at $31,756 from Peru and 551,816 at $10,272 from the Dutch West Indies.

Dome Mines Options Claims in Swayze Twp.

Dome Mines has optioned the Denyes Exploration Synd. group of 11 claims on the boundary of Denyes and Swayze townships northwest of Sudbury, according to information from that area.

The agreement calls for immediately starting exploration work The Denyes Exploration Synd. has other claims in the area and is continuing its exploration activities.

LAKE OF WOODS INCOME REVEALS SHARP INCREASE

Earned Preferred Dividend After All Charges Last Year

From Our Own Correspondent

MONTREAL.—Marked improvement is revealed in the financial statement of Lake of the Woods Milling Co. for the fiscal year ended August 31, 1932. Net earnings were $511,726 compared with an operating loss of $935,468 in the previous year. Net profit was $111,368, or the equivalent of $7.42 a share on the preferred stock, after taking care of proportion of estimated net loss of controlled companies, after interest on bank loans and provision for depreciation. No dividends were paid in the period under review and surplus for the year was $111,368 which compares with a total deficit of $1,650,097 after all charges in the previous year.

Profit and Loss Figures

Following is a comparison of profit and loss accounts for the past two years ended August 31.

	1932 $	1931 $
Net earnings	511,726	*935,468
Less: Interest	250,148	278,672
Depreciation	120,000	†212,806
Cont. Co's. loss ...	‡30,210	......
Net profit	111,368	*1,426,946
Less: Pref. divds. ...	......	105,000
Common divds.	......	118,151
Surplus for year	111,368	*1,650,097
Add: Prev. surplus ..	536,353	536,450
Cont. Co's loss, 1931..	42,833	......
Trans. from reserve..	......	1,650,000
Balance forward	604,888	536,353

*Deficit.
†Including $100,000 for investment reserve
‡Production of estimated net loss of controlled companies.

Working Capital Position

	1932 $	1931 $
Current assets	2,171,207	2,660,504
Current liabilities ..	3,605,864	4,318,473
Net working capital.	■1,434,657	■1,657,969

■Excess of current liabilities over current assets.

Reference is made in the report to intense competition and price-cutting in bread which, together with general business conditions, affected earnings of the company's baking subsidiaries. Domestic flour trade was well maintained, but export trade was some 50 per cent below the normal of a few years ago, a condition which found reflection in increased manufacturing costs. F. S. Meighen, president of the company, hopes that the arrangement made by the Imperial Conference, if implemented by the governments concerned, will lead to an increase in export volume. He states that there are indications that the 10 per cent duty on foreign flour will eliminate competition from Canadian wheat milled in bond in Buffalo which has been a serious obstacle in the past.

Total Assets Lower

Cash shows a reduction of $33,000 at $19,930 and accounts receivable are down $193,000 at $724,347. Inventories also show a decline totalling $1,426,929 compared with $1,690,899 at the end of the previous year.

Investments in controlled companies are carried at $2,311,387, a decrease of $97,000. Investments in and loans to other companies, less reserve, are shown at $259,200, a decline of $20,000, and a separate item in loans to controlled companies is carried at $50,000.

Property account, less reserve for depreciation, is down $187,624 at $7,993,545. Goodwill and trade marks is unchanged at $250,000 and total assets are lower by nearly $700,000 at $13,082,831.

Bank Loans Reduced

In liabilities, accounts payable are lower by $68,000 at $395,864 and bank loans have been reduced by $635,000 to $3,210,000. These are secured by $4,000,000 of 6 per cent first mortgage bonds held as collateral by the banks. A reserve for unrealized appreciation on appraisal of properties is carried at $1,571,539, a decrease of $36,000.

Capital structure is unchanged. Contingent liabilities include customers' paper under discount of $191,616 and a guaranteed bond of $100,000 in U. S. currency.

In his report to shareholders, President Meighen states that the company is now feeling the benefit of the complete reorganization and economies effected.

Shareholders Try to Save Gem Lake Mines Property

There is hope of the shareholders of Gem Lake Mines salvaging the property from the liquidator, according to W. S. Kickley, president of the company, in a circular letter sent out.

An effort is being made to raise sufficient funds to in part pay off the creditors and arrange for the balance to be paid in part in shares. Shareholders are being requested to contribute one cent a share and if sufficient funds are forthcoming a new company will be formed to take over the property.

Asbestos Shipments Show Expansion in November

From Our Own Correspondent

MONTREAL—Shipments of asbestos from the Thetford Mines, Black Lake and Coleraine districts during September aggregated 5,580 tons. This is the largest tonnage since November, 1931. This is the largest tonnage for any one month since November, 1931, but the smallest tonnage for the same month during the past four years.

CANADA DRY SALES INCREASE IN B.C.

Plant in Vancouver is Felt Probable in Near Future

From Our Own Correspondent

VANCOUVER—This city will probably be chosen in the near future as the site of the fourth manufacturing centre in the Dominion for Canada Dry Ginger Ale, according to George J. Mitchell, general manager, who has been making a tour of the west.

The company now operates a plant at Edmonton, which is the farthest west in the chain. Other plants are at Montreal and Toronto. Warehouses are maintained in Vancouver as well as in a few other strategic points in Western Canada, but the increasing business on the coast will probably justify establishment of a plant in Vancouver in the near future.

Sales in British Columbia this year have shown a good increase over those of 1931, Mr. Mitchell reported.

Vacuum Cleaner Output Holds Up Well in 1931

Production of electric vacuum cleaners and parts during 1931 numbered 107,682 units valued at $3,378,123 as compared with a total of 108,927 units worth $3,862,998 in 1930. The output of floor models dropped to 72,224 worth $2,650,872 from 77,451 at $3,034,895, while hand models advanced to 35,458 at $362,765 from 31,476 at $334,728. The value of attachments made for these machines was $364,486 in 1931 and $493,375 in the previous year.

During the calendar year 1931 a total of 13,234 electric vacuum cleaners and parts with an appraised value of $733,996 came into Canada, practically all from the United States. Exports during these twelve months numbered 52,569 machines and parts at $1,912,999 and of this total over 93 per cent or 49,225 machines went to the United Kingdom, 1,224 to the Netherlands, 1,104 to Australia, 584 to New Zealand, 240 to Germany and 6 to the United States.

Canadian Wheat May Get Preference Via U. S. Ports

Wheat consigned from Canada to the United Kingdom obtains the six-cent a bushel preference over foreign wheat, even if shipped from United States ports, so long as it is consigned on a through bill from Canada, according to unofficial interpretation placed on the preference regulations in British revenue circles, in view of doubt in Canada os to how transshipment through United States ports would affect the preference benefit.

If the wheat, however, is consigned from a United States port it will not obtain the preference, it was explained. "It is a question of where it is consigned from that settles the matter," said one official. It is expected, however, the British Government will clarify the situation before the revised tariff rates are consummated.

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Many Bodies Planning Coal Price Investigation

Possibility of an enquiry into price of coal in Canada looms from many sources. Following allegations that the spread between cost and selling price of Welsh anthracite in Canada was very high, Dr. Charles Camsell, deputy minister of mines and chairman of the Dominion Fuel Board, commenced an investigation last week at the instigation of the minister of the department. No public hearings will be held by this body and its report is expected in a week or ten days.

There is also the probability that the Canadian Senate will undertake an investigation on its own, and in addition, preliminary questionings have been undertaken by the Department of Immigration and Labor at the instigation of the Hon. Wesley Gordon, under whose aegis the Combines Investigation Act is operated. No formal brief for investigation under the Combines Act has been issued however.

There is also the possibility that a Royal Commission may have to be created in order to collect evidence from Great Britain as to costs and operation of Welsh coal shipments from that country.

Over Hundred Plants Make Boats and Canoes

There were 108 establishments engaged in the manufacture and repair of boats and canoes in 1931, with a capital investment of $2,186,595 in 1931 and $3,123,984 in 1930. These establishments employed 582 workers on salaries and wages amounting to $561,958.

The most important class of small craft made in 1931 was that of canoes, of which 2,288 were manufactured and valued at $154,522. Next in order of importance came the class of row boats, skiffs, dories, etc., of which 2,542 were made with a value of $106,992. Next came motor boats of which 254 were made with a value of $509,606. Miscellaneous marine and fisherman's supplies were valued at $38,177 and repairs at $161,695. The total value of all products, side lines and work done was $1,201,886 for 1931 and compared with $2,687,050 in 1930.

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Utilities and Transportation

NOR'WEST POWER BOND COMMITTEE FIGHT DEVELOPS

Independent and Official Groups Battle for Proxies

From Our Own Correspondent

MONTREAL—Over 54 per cent of the outstanding bonds of North Western Power Co., are said to have been deposited with the "official" Bondholders' Protective Committee. The independent organization is continuing its fight for recognition, however, and has distributed a lengthy circular setting forth the position of the company as it sees the situation.

The "official" committee, though the Royal Trust Co. has called a meeting of the bondholders for November 14 next, at which time authority will be asked to set up a committee to investigate the affairs of the company. At the same time it is proposed to defer interest on the bonds due July 2 and January 2, 1933, but not later than May 1, 1933.

Official Board's Views

The "official" committee, headed by J. B. Woodyatt, has circularized bondholders to the following effect:

"The Northwestern Power bondholders must evidently depend to a very large extent on what they can recover under a guarantee of Winnipeg Electric Company.

"Their claim against Winnipeg Electric Company is unsecured and they would therefore rank with the other unsecured creditors of Winnipeg Electric Company and junior to secured claims including the company's bonds amounting to over $15,000,000.

"Winnipeg Electric Company is not in a liquid financial position which would permit it to meet its obligation under its guarantee by payment in cash.

"If precipitate action were taken by an individual creditor of Winnipeg Electric Company the result, unless such action were restrained, would probably be to depreciate substantially the value of the equity in that company, upon which all the unsecured creditors must largely depend.

Parties to Negotiate

"In order to preserve this equity, it seems essential that the various parties interested should be in a position to discuss and negotiate.

"These parties are: (a) the Northwestern Power bondholders; (b) the other unsecured creditors of Winnipeg Electric Company, including the holders of guaranteed securities of other subsidiaries; and (c) Winnipeg Electric Company itself representing preferred and common shareholders.

"It is obviously impossible for Northwestern Power bondholders at this stage to formulate a satisfactory plan of recognition because any satisfactory plan may have to include Winnipeg Electric Company and its subsidiaries and the holders of their outstanding securities. On the other hand, in the opinion of the committee, immediate action against Winnipeg Electric would not secure payment of the guaranteed interest but would seriously jeopardize the ultimate prospects of Northwestern Power bondholders.

"It is therefore necessary that reasonable opportunity should be allowed for the fullest consultation and consideration regarding what is not only a complicated but a precarious situation and that, in the meantime, if possible, isolated action by any bondholder of Northwestern Power Company should be checked by appropriate resolution of Northwestern Power bondholders."

Independent's Letter

The independent committee has not been backward in setting forth its position and has sent a letter to bondholders which reads, in part, as follows:

"The independent committee have striven throughout to act in co-operation with the first committee so that the efforts of both might be directed to the fullest possible protection of the interests of all bondholders. Unhappily, the first committee have not been receptive, and have not shown any disposition to avail themselves of the help which the independent committee was able to furnish.

"In order that the situation may be fully understood, it is necessary to bear in mind that the annual operating expenditure of Northwestern Power is approximately $900,000, and shutdown expenditure about $800,000, whereas its contracts for power, now probably being supplied by Manitoba Power Co. would only yield about $72,000. The contemplated development of the Northwestern Power Co. is by no means complete, and full development would require the expenditure of many millions more.

Winnipeg Electric's Position

"The outstanding bonds of Northwestern Power Co. are guaranteed as to principal and interest by Winnipeg Electric Co.; and it is apparent that unless that guarantee is entirely satisfactory, the bondholders of Northwestern Power Co. must suffer a very great loss. Winnipeg Electric Co. not only guarantees the bonds of Northwestern Power Co., but also guarantees the bonds of Manitoba Power Co.; and these three companies are inextricably involved one with the other At the end of its last fiscal year, Winnipeg Electric had a deficit in working capital of $1,237,000; its gross and net earnings were inadequate to meet the additional obligations as mentioned herein. As interest on the outstanding bonds of Northwestern Power Co. alone require $600,000 per annum, it will be seen that the ability of Winnipeg Electric to make good on its guarantee, is open to serious question. In addition, Northwestern Power Co. has current loans of $1,500,000, guaranteed by Winnipeg Electric Co., so that any solution of the difficulties will require provision of at least $3,000,000, in cash or its equivalent.

Independents Are Ready

"The independent committee, after intensive effort, is in a position to initiate negotiations which it is satisfied will clear up the whole difficulty and secure to the bondholders of this company practically the whole of their capital and with slightly reduced, but absolutely certain, revenue. Obviously, the other party to the negotiations and complete details cannot be given at this stage, but the independent committee are able to offer assurances that such an arrangement can be made if immediate action is taken.

"Having regard to the constantly shifting factors in the political, financial and economic situation, the independent committee have no hesitation in advising that no extension of time should be granted, that the present opportunity should not be lost, and that immediate negotiations should be authorized. Past history indicates that as long as the control of the company remains in present hands, nothing constructive will be accomplished. The bondholders, therefore, ought to insist upon a change in the control and definitely ought not to authorize any extension of time."

Montreal Life Insurance Views Power Securities

Caustic Comment on Certain Features of Utility Investments Set Forth in House Organ

From Our Own Correspondent

MONTREAL—Montreal Life Insurance Co. in the current issue of its house organ—The Maple Leaf—has some caustic comments to make upon the matter in which the utility and paper companies have been managed financially.

Under the heading of "Ducks and Drakes" reference is made directly and indirectly to the bonds of such companies as Gatineau Power, North Western Power Co., Calgary Power, British Columbia Power, Southern Canada Power, etc. The manner in which some companies have invested in surplus earnings, speculation in commodities and the mismanagement of the newsprint industry, all of which has tended to weaken the position of the bondholders, is set forth.

The article reads as follows:

"If you were operating a duck farm or duck emporium, or whatever is called a place where ducks are raised for human consumption, and you found a lame duck on the premises, would you think it a good plan to amputate the leg of a healthy duck and graft such leg on the lame duck? It would be an interesting experiment for a duck surgeon, if any there be, but a silly piece of business from a commercial standpoint. Yet just such sort of thing is being done in respect to some of our public utility and industrial enterprises. One might call it playing ducks and drakes with the investors' money.

"The market values of Gatineau Power Co. bonds and debentures have dropped to levels lower than warranted by the financial structure, power contracts and earning record of the company. There must be a reason. Is it because the suspicion lurketh that Gatineau Power Co. has been exploited for the benefit of Canadian International Paper Co., and that the process will be continued as perhaps the paper company will need further financial assistance? We know not if this be true but we do know that many people believe it to be true.

Investment or Surplus

"For many years past a certain power company operating in the Province of Quebec, south of the St. Lawrence, was regarded as a very successful enterprise. Through skilful management and fair dealing this company had achieved a high reputation. Its bonds and shares were regarded favorably as investments and commanded good prices. A substantial surplus was accumulated. It is currently rumored that part of the surplus of the company has been invested (?) in securities of other and not too successful companies controlled by the same interests. Here again we hesitate to place credence in the idle gossip but the stories persist and have not been contradicted.

"If you were managing an enterprise in which the public had invested millions of dollars and there had been accumulated a substantial surplus through profitable operations in prosperous times, would you, without consulting the holders of bonds and shares of your enterprise, invest (?) such surplus in common stocks of other companies? What right would you have to risk loss of money that was not your own? A reasonable surplus is necessary to tide over a depressed period. If the surplus is invested in common stocks, its value shrinks terribly when the depression comes and then the surplus is not adequate. There have been many instances of this in recent times. Everyone is familiar with the record of a well known mining company in this respect. A certain hotel company in Montreal is reported to have accumulated a handsome surplus during the heyday of prosperity, and further, that this surplus was used for speculative purposes, so that now when operations are not profitable, the company finds the going pretty difficult and that it will be a struggle to pull through.

Speculation in Wheat

"The speculation in wheat by our milling and grain companies is now an old story, but serves as another instance of improper use of trust funds, for so may be dubbed money invested by the public in any enterprise, just as much trust funds as money deposited with a bank or trust company.

"These things are bewildering to the investor. Evidently it is unwise to purchase bonds and shares of a company solely on the merits of the company itself, its records as to earnings and its financial position. One should also consider the moral hazard, the character of the management and controlling interests, the possibility of the company being weakened to protect other operations, or by speculative investments.

Paper Industry Woes

"The pulp and paper industry in Canada is in dire straits. It seems to be recognized generally that the recent reduction in the price of newsprint will make it difficult for the paper companies to break even, expenses against income, without considering depreciation or interest on bonded indebtedness. Our vast and valuable forest heritage is being despoiled, not with profit to Candians but with serious loss, and for the benefit largely of United States newspaper owners. Have we gone mad? Canadian institutions and Canadian men and women have tens of millions of dollars invested in Canadian pulp and paper companies, and are not receiving today any interest or dividends on such investments. Is it not a calamity and so absolutely unnecessary? Properly conducted, our pulp and paper companies should yield handsome profits instead of losses. Two courses are open: All the pulp and paper companies to combine, write down capital and regulate production to accord with demand. Along with this no new companies should be permitted to organize. This seems the logical solution, but unfortunately logic has no appeal to those in charge of our pulp and paper concerns. The other course is the one being pursued, namely, to reduce prices to the point where many companies will be forced out of business, hopelessly bankrupt. Then the few survivors can raise prices and gradually rehabilitate their shattered structures. This would lead to great bitterness on the part of holders of bonds and shares of the wrecked companies. In the first manner, each company would absorb part of the losses and in the other way some of the companies would have to stand all the loss and the survivors none.

"Those responsible for the pitiable plight of the pulp and paper industry are: first, provincial governments which granted timber cutting rights to partizans ad lib. and without regard to the consequences; and secondly, our financial and industrial leaders (so-called.)

Hydro Industry's Future

"Is our hydro-electric industry headed in the same direction as the pulp and paper industry? There has been in recent years one hydro-electric development after another: new companies were formed with bewildering rapidity. Surely there must be an over-production right now. The Northwestern Power Co. has built its plant, installed machinery but as yet not a wheel has turned, as there is absolutely no market for its power. Duke-Price Power Co. is not earning its bond interest. Consider the hydro-electric companies that have come into existence in the past decade: Gatineau, Duke-Price, Ottawa Valley, Ontario Power Service, Montreal Island, Northwestern, Maclaren-Quebec and many others, to say naught of additions to the production of power by other companies such as Shawinigan, Ontario Hydro, Calgary and British Columbia Power.

"If electricity could be introduced into Canadian homes as an economical substitute for gas, coal and oil, then let the developments proceed. But such is not the case. Even the Ontario Hydro could not do it, and it is not required to pay dividends on watered stocks.

Bonds Are Bonds?

"Is it any wonder that government bonds have advanced so in price? The harassed investor fears to put his money into anything else. The old expression 'his word is as good as his bond' must needs be revised as his bond is absolutely worthless, so it appeareth. Perhaps the legend should read: 'his word is worth no more than his bond.' We were taught at school that a bond was a sacred obligation, and that one who defaulted his bond was a low order of being, a pariah. Now a bond is a meaningless document, a cheap, trashy imitation of something of value. Years ago one spoke of a bond with bated breath, with awe. Now when bond is mentioned, one snickers."

A Conservative Utility Investment

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Descriptive circular on request.

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79

U. K. Buys Canadian Barley

The purchase of Canadian barley by the United Kingdom has been running more than double during the last month or two what it was a year ago. The September export was 717,306 bushels, compared with 332,482 in September, 1931. The total export to all countries was 769,088 bushels, valued at $391,726, as compared with 757,930 at $320,989 in September last year.

OTTAWA TRAM SEEKS SCHEDULE TEN CENT FARE

Railway Board Advises Further Overtures With City

From Our Own Correspondent

MONTREAL—Ottawa Electric Railway Co. in its endeavor to secure an increase in tram fares to 10 cents, has been advised by the Board of Railway Commissioners to endeavor to work out an agreement directly with the city itself.

Under the present arrangement, which has until next August to run, the fares are seven cents cash, four tickets for 25 cents and 17 tickets for $1. The company is asking that in the new agreement the fares be 10 cents all round for adults, with children half fare.

A year ago the company proposed such a change but in addition asked that it be relieved of the obligation of snow removal on car line streets and of paying the annual mileage tax. It also asked to be permitted to use one-man cars on all lines.

City Refused Offer

The city at that time refused the offer.

Following the city's refusal, the company appealed to the Railway Commission. The Chairman of the Commission decided to defer his judgment until the new year so that the city and the company would have an opportunity to get together in an endeavor to work out an agreement.

In the representations made to the Commission, a representative of the city suggested a 10 cent cash fare and continued sale of four tickets for 25 cents, dropping the dollar books.

PROVINCIAL BUS TRAFFIC LOWER EARNINGS DOWN

Big Transport Company Reflects Drop in Tourist Volume

From Our Own Correspondent

MONTREAL.—Passenger carryings of Provincial Transport Co. during the past season have been somewhat restricted but it is expected that results for the full year will not be unsatisfactory. The company, which is the largest bus organization in Eastern Canada, has felt the effects of the decline in tourist traffic and the general falling off in transportation activity.

Provincial Transport was organized late in 1928 as a merger of some 20 individual bus companies operating in a radius of 60 miles of Montreal. Since that time, however, scope of the organization has been widened and through subsidiaries and affiliated companies, operations have been extended into Ontario.

Widely Diversified Business

Routes operated by this chain comprise thousands of miles and activities include sight-seeing trips in addition to regular long and short distance hauls. The rapid growth of Provincial Transport is an indication of the changing trend in methods of travel and is a reflection of the improvement effected in highway surfaces in recent years.

There is no public investment in the enterprise though at the time of its formation it was expected some financing would be carried out. Securities of the company, however, are closely held and necessary funds have been secured without recourse to public borrowing.

Winnipeg Electric Co. Operating Net Gains

From Our Own Correspondent

MONTREAL—For the first time in several months Winnipeg Electric Co. reports a slight increase in net earnings. Gross income in September totalled $428,620 and operating expenses $304,701, leaving a net figure of $123,919. For the same month last year gross revenues amounted to $451,622 and operating expenses $328,387 for a net operating revenue of $123,387.

Cumulative returns for the nine months ended September, 1932, reveal gross income of $4,149,780. This compared with $4,301,456 for the same period in 1931. Operating expenses were cut from $3,039,129 to $2,922,143, leaving net operating income at $1,227,637, compared to $1,262,327 last year.

Bell Telephone Installs New Privacy Equipment

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has installed what is known as privacy equipment for all commercial transatlantic telephone conversations emanating from its Montreal long distance centre. Hitherto radio listeners have been able to intercept, in part, some of the transatlantic telephone conversations; now speech is "scrambled" so that reception is only intelligible to the two parties concerned in the call.

Public Utility Earnings

Winnipeg Electric

September:	1932 $	1931 $
Gross earnings	428,620	451,622
Operating expenses	304,701	328,235
Net earnings	123,919	123,387
9 Mos. end. Sept. 30:		
Gross earnings	4,149,780	4,301,456
Operating expenses	2,922,143	3,039,129
Net earnings	1,227,637	1,262,327

Twin City Rapid Transit

3rd Quarter:	1932 $	1931 $	Decrease $
Gross rev.	1,935,335	2,404,927	469,592
Oper. exp.	1,712,267	2,030,225	317,958
Net earns.	223,068	374,702	151,634
Fixed chgs. & taxes	434,445	487,974	53,529
Net profit	*211,377	*113,272	98,105

*Deficit.

Nine months:	1932 $	1931 $	Decrease $
Gross rev.	6,977,272	8,111,950	1,134,678
Oper. exp.	5,524,236	6,388,698	864,462
Net earns.	1,453,036	1,723,252	270,216
Fixed chgs & taxes	1,413,654	1,502,281	88,627
Net profit	39,382	220,971	181,589

Brazilian Traction

Sept.:	1932 $	1931 $	Decrease $
Gross earn.	2,241,861	2,724,941	483,080
Oper. exp.	965,177	1,055,044	89,867
Net earn.	1,276,684	1,669,897	393,213
Jan. 1 to Sept. 30:			
Gross earn.	22,691,127	27,385,013	4,693,886
Net earn.	13,124,410	16,579,656	3,455,246

MACLAREN-QUEBEC MAKES PROGRESS AT MASSON FALLS

Tunnel Boring of Mile Length is Nearing Completion

From Our Own Correspondent

MONTREAL — Construction of the Masson Falls project of MacLaren-Quebec Power Co., is proceeding according to schedule and good progress has been made with the development which is expected to be in operation by July 1933. One of the major features of the job was boring a tunnel about one mile in length; practically all of this work has been completed with the exception of the last 100 feet.

Already the company is producing 75,000 horsepower at High Falls. At Masson Falls an installation of 130,000 horsepower is planned; completion will enable the company to take care of a contract with the Ontario Hydro-Electric Commission for 125,000 horsepower, the first block of which is to be taken up on July 1, 1933. Increasing quantities of power will be delivered under the contract until the full amount is delivered in 1936.

Deliver to Affiliate

Other contracts held by the company include delivery of 66,000 horsepower to the James MacLaren Co., so that present contracts dispose of 191,000 horsepower of the 216,000 horsepower now installed or in course of installation.

The company is controlled through complete common stock ownership by MacLaren Power and Paper Co. which also controls James MacLaren Co., newsprint manufacturer. Financing was carried out in 1931 by the issuance of $12,000,000 of 5½ per cent first mortgage bonds.

Maritime Telephone Has Small Station Loss

From Our Own Correspondent

MONTREAL.—Maritime Telegraph and Telephone Co. reports a net loss of 76 stations during September, the number of stations installed at the end of the month totalling 39,898, as against 39,974 at the close of the previous month. One district reported a net gain of 45, but the balance had a loss of 121.

Connecting companies held their own during the month, the net loss in stations numbering only 7. There was a drop in stations installed from 6,593 to 6,586.

Toll traffic of Maritime Telegraph and Telephone for the first nine months of the current year shows a drop of 9.3 per cent from that reported for the same period a year ago.

During September toll traffic calls numbered 113,004, of which 121,693 were completed for a percentage of 92.8. The average percentage of completed toll traffic for Class A exchanges was 91.9 and for class B exchanges 95.1 per cent.

Avon River Power Expanding Into New Area

From Our Own Correspondent

MONTREAL.—Permission to sell its assets and undertaking to the Avon River Power Co., controlled in turn by Nova Scotia Light, Heat and Power Co., is sought by the Brooklyn Light and Power Co. in an application filed with the Nova Scotia Public Utilities Commission.

The Brooklyn company does business at Brooklyn, Hants Co., and on September 29 last stockholders approved the sale to the Avon River Power for a price not less than $16,575 the transfer to become effective immediately upon approval of the Utilities Commission.

Foreign Demand Persists for Canadian Automobiles

Production of motor vehicles in Canada during September numbered 2,342 units as compared with 4,067 in the previous month and 2,646 in the corresponding month of a year ago. Compared with types of cars the September figures show that output of open passenger cars dropped to 212 from 877, closed model passenger cars to 1,200 from 2,271 and trucks to 601 from 901 in August.

Customs' records show that the number of cars imported into Canada during September dropped to 56 from 86, while during the same period exports advanced to 1,717 from 1,566. The export figure for September was the highest for any month of this year to date.

Of September output, 1,081 cars were made for sale in Canada, leaving a balance of 1,261 cars intended for export. The apparent consumption of cars during the month as determined by adding the 1,081 cars made for sale in Canada to 56 imported, amounted to 1,137 cars. During the next preceding month the apparent consumption, thus computed, was 2,398 cars and in September, 1931, it totalled 2,299 cars.

Pig Iron Production Changes Little in September

Production of pig iron during September, a 30-day month at 5,709 long tons showed little change from the rate of the previous month when during the 31-day period a total of 5,992 tons was made. While the August tonnage consisted of only 89 tons of basic iron and 5,903 tons of foundry iron, the entire September output of 5,709 tons was of the basic grade and was intended for the further use of the producer.

Iron blast furnace charges during the month included 9,614 long tons of imported iron ore, 2,601 short tons of Canadian limestone and 5,635 short tons of Canadian coke carbonized for imported coal. For the first nine months of this year a total of 166,436 tons of iron ore, 45,448 tons of limestone and 100,359 tons of coke were charged to iron blast furnaces in Canada to make 96,219 tons of pig iron.

One 550-ton iron blast furnace was operating in Canada at the end of September.

Empire Nations Monopolize Sugar Trade in September

All of Canada's imports of raw sugar in September came from British Empire countries. The amount was 92,007,800 lbs., valued at $1,413,746, the countries of production being: British South Africa 43,667,600 lbs., Australia 21,840,800, Fiji Islands 14,446,900, Barbados, 6,743,800, Jamaica 2,601,800, Trinidad 464,800, other British West Indies 1,004,000, British Guiana 238,100.

All of Canada's export of refined sugar in September went to British Empire countries. The total was 1,009,800 pounds in the following quantities: Newfoundland 937,700 lbs., British Honduras 61,500, Bermuda 1,100, Barbados 700, British Guiana 300, other British West Indies 8,500.

Nova Scotia Textiles Busy

Shipments of manufactured silk and woollen underwear from the plant of the Nova Scotia Textiles at Windsor, N.S., during September, this year, exceeded those for any month for the past three years.

COLLECTIONS BETTER IN MONTREAL AREA

Canadian Credit Men's Report Covers Eleven Leading Cities

The weekly trade report of Canadian Credit Men's Trust Association for the week ending October 22, 1932, is as follows:

Halifax.—Conditions generally continue with very little change. Wholesale inclined to be quiet. Retail trade only fair. Collections slow.

Saint John.—Wholesalers report business quiet in comparison with previous week, with no improvement in retail sales. Collections continue slow.

Montreal. — Wholesale dry goods quiet. Groceries continue in fair demand. Boots and shoes very fair, with some improvement shown in clothing lines. Ladies' wear also moving better. Hardware and automotive lines continue fairly slow. Retail trade both city and country reported fair. Collections all lines show an improvement over previous week.

Toronto.—Generally fair volume of business reported by wholesalers. Jewellery trade reports improvement. Collections only fair.

Winnipeg.—Slight improvement in manufacturing lines is reported. Wholesale lines moving a little easier, particularly dry goods, boots and shoes and clothing lines. Wholesale groceries continue in fair demand. In retail lines the stormy weather in the early part of the week created a brisk demand for rubber footwear and heavier lines of clothing. This, however, has fallen off with the milder weather prevailing toward the end of the week. Generally speaking retail trade only fair. Wholesale collections on current accounts being made fairly promptly with very little reduction being made to date on the older proportion of accounts. Retail collections still require considerable pressure.

Regina.—Wholesale grocery sales continue fair, dry goods showing a considerable improvement over last year. Hardware lines fair to good, city retail trades reporting improvement lately, with a falling off in country points as harvesting is nearing completion. Wholesalers receiving payment of current accounts fairly promptly with nothing being received on old outstanding. Retail city collections fairly slow. Country retail collections almost at a standstill, only a slight reduction being made on accounts, principally by way of produce.

Moose Jaw.—Wholesale boots and shoes quiet; wholesale dry goods fair; wholesale and retail hardware fairly good; wholesale and retail groceries fair. Collections fairly good.

Saskatoon. — Wholesale grocery sales holding up fairly well; hardware fairly steady; boots and shoes fair only, no material change over previous week. As cars and machines are being stored for the winter, sales of oils and greases are gradually falling off. Dry Goods sales reported satisfactory with slight increase due to colder weather bringing demands for heavier clothing. Retail trade fair only. Wholesale collections show very little improvement. Retail only fair.

Calgary. — Wholesale and retail lines continue to show very satisfactory volume. All other lines with the exception of a little winter clothing, which has shown increased volume, remain very quiet. Very little reduction being made on old past dues.

Edmonton.—Business in all lines quiet. Collections slower owing to rumors of further debt adjustment legislation.

Vancouver.—Retail and manufacturing reported as fair. Wholesale hardware and groceries report sales keeping up fairly well; dry goods fair; boots and shoes, and ladies' wear quiet. Collections on current purchases are being met fairly promptly, but old accounts are very quiet.

Automobile Employment Up Says Border Cities Report

Employment in the Border Cities showed a decline in September of 978 workers, according to the Border Chamber of Commerce. Total employment was 10,638 workers or 211 less than a year ago. It is interesting that the automobile industry at the end of September, 1932, employed 1,012 workers more than at the same time a year ago whereas non-automotive industries employed 1,228 fewer workers than last year.

Other business barometers show that long distance calls dropped to 14,445 in September as against 15,830 the previous month while the number of active hydro-electric meters increased from 27,232 to 27,287. Inactive meters dropped by 100. Total number of indigents on relief was 20,504 as against 17,847 at the end of August. Cost of relief in September was $125,942 against $101,869 the previous month

Customs receipts were $568,600 for the combined municipalities of Windsor, Walkerville, Sandwich and Belle River. This compares with $629,884 the previous month and $710,269 in Sept., 1931. Building permits at $17,475 held almost at the August figure and showed a good increase over the $11,945 reported in Sept., 1931. Bank clearings for Windsor only were $9,134,258 showing a customary seasonal drop and comparing with $9,957,307 in September, 1931.

Wheat Exports Show Increase

Wheat exports during the month of September amounted to 23,000,000 bushels compared with 16,000,000 bushels a month ago and 17,000,000 for the corresponding period a year ago. Deliveries to country elevators were placed at 131,000,000 bushels for this year. This compares with 59,000,000 bushels last year.

Weekly Bank Clearings

Eastern Cities

	Oct. 22, 1931	Oct. 20, 1932
Halifax	$ 2,901,667	$ 3,502,410
Saint John	2,469,502	1,824,522
Moncton	698,786	687,388
Ottawa	7,537,225	4,411,294
Montreal	100,432,391	84,640,610
Kingston	692,845	596,882
Peterboro'	768,335	702,237
Toronto	95,717,754	85,160,494
Hamilton	4,871,896	4,118,414
Kitchener	1,970,236	929,346
Brantford	863,848	714,678
London	2,988,820	2,865,118
Chatham	488,243	412,509
Windsor	3,018,080	2,010,833
Sarnia	438,987	396,019
Sudbury	706,287	434,069

Western Cities

	Oct. 22, 1931	Oct. 20, 1932
Fort William	$ 728,770	$ 680,498
Winnipeg	46,828,918	29,488,297
Brandon	521,078	478,461
Regina	4,519,865	5,785,452
Moose Jaw	903,566	1,047,372
Saskatoon	2,056,185	1,857,588
Prince Albert	372,058	326,672
Edmonton	4,794,067	4,181,742
Calgary	7,404,299	6,010,853
Medicine Hat	337,845	234,689
Lethbridge	446,245	364,288
New Westminster	534,414	483,728
Vancouver	15,264,644	13,655,807
Victoria	1,889,728	1,366,435

UNTREATED EASTERN CEDAR POLES

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What is the Trend of Money Rates?

England recently converted about £1,900,000,000 of 5% obligations into securities bearing 3½% interest—a gigantic and successful undertaking. In addition, financing for short periods was arranged at 2% interest.

Similar downward trends in money rates are apparent in New York and other centres.

The recent increase of from five to ten points in the prices of high-grade bonds in Canada, with the corresponding reduction in income yields, follows this trend.

Nevertheless, high-grade Canadian securities still yield very satisfactory returns.

Those who are able to purchase them at this time may take advantage of the present well defined world trend toward higher prices for such securities.

Upon request we shall be pleased to furnish a complete list of investment securities of the highest grade, which yield attractive returns.

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News of Investment Markets

DOMINION LOAN 4 P. C. COUPON MARKS NEW ERA

Nation-Wide Campaign Expected to Place $105,000,000

PRICED AT MARKET

Three-Year Maturity Will Sell Rapidly — 20-Year Bonds Are Callable After 15 Years

The Dominion Government will appeal to Canadian investors for a maximum of $105,000,000 on Monday, October 31. With three year bonds offered to yield 4.28 per cent and 20 year bonds offered to yield 4.5 per cent the government will secure long term money at the lowest cost since before the war with the sole exception of a 30 year loan placed in New York in October, 1930, to yield 4.28 per cent.

The Dominion of Canada 4 per cent loan of 1932 will amount to $80,000,000 but the right is reserved to allot or reject the whole or any amount of subscriptions received if such subscriptions do not increase the loan by more than $25,000,000. There is little doubt but that the Federal Treasury could use the full total of $105,000,000 and dealers believe that the entire amount can and will be subscribed. Two maturities will be offered, $25,000,000 of 4 per cent bonds dated October 15, 1932, and maturing in three years and $55,000,000 of 4 per cent bonds dated October 15, 1932, maturing in 20 years but callable after 15 years.

Priced At Market

The three year bonds will be offered at 99.20 to yield 4.28 per cent and the 20 year bonds will be priced at 93.45 to yield 4½ per cent. These prices would be subject to change if there were any sudden movement in the general level of high grade bond prices. Dealers confidently expect an early over-subscription of the short term bonds by banks, institutions and industrial investors, since these bonds are attractively priced. The long term bonds are priced slightly above the current market. The 20 year bonds will be issued in denominations of $500 and $1,000 and the three year bonds in denominations of $1,000 only.

As in the National Service Loan of November, 1931, a nation-wide organization of banks and bond houses will act as agents of the government in offering the new issue to the public. The National Service Loan proved a tremendous success and the offered amount of $150,000,000 was over-subscribed in little more than a week with $221,198,200 allotted. The National Service Loan bonds it will be remembered carried a 5 per cent coupon and the 5 year bonds were offered to yield 5.17 per cent and the 20-year bonds offered to yield 5.125 per cent.

Lower Rate Less Popular

The National Service Loan was offered during a falling bond market that reached its low point early in February, 1932. The current loan is offered in a rising market where money is relatively easy and therefore the price is considerably lower than that which prevailed less than a year ago. Bond dealers believe that bond prices will continue to go higher and a yield of 4 per cent on Dominion Government obligations is not regarded as impossible. On this account dealers feel that the present issue is a sounder purchase for investment than the National Service Loan despite the lower yield.

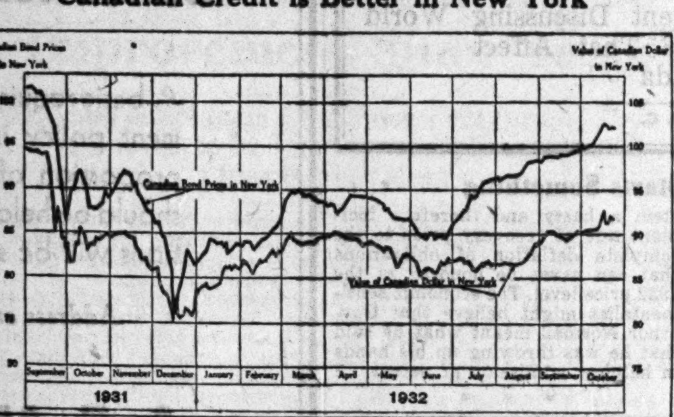
It is not regarded as probable, however, that the new loan will be as popular as the Service Loan bonds due to the 4 per cent coupon rate. The success of the Service Loan was due in large part to the large number of subscriptions taken by small investors throughout the country. Another year of depression has reduced the volume of funds available for investment, the 4 per cent coupon is not favored by the small investor who has been accustomed to a higher rate and the new bonds are not to be issued in $100 denominations as was the case in the National Service Loan.

General Steel Wares Meets Bond Interest

While General Steel Wares has not earned bond interest in the current year, directors have decided to meet the bond interest due on November 1. Owing to liquidation of inventory the company's current position is strong, and John C. Newman, president, states that current assets are five times current liabilities. Bank loans are lower than a year ago.

Drastic economies have been made in the last year. Mr. Newman frankly stated that continuance of semi-annual interest payments would depend in large measure on an improvement in business conditions taking place within the next six months. Bonds, which were sold at a low of 20 in the early summer, have recently been sold as high as 45.

Canadian Credit is Better in New York



Improved prices of the Canadian dollar and Dominion of Canada bonds in New York reflect returning confidence in Canada. The above chart prepared by A. E. Ames & Co. shows the trend since September, 1931. Note the parallel movement of Canadian bond prices and exchange.

Bond Prices, Exchange Rate Reflect Canadian Credit

Strength in New York of Dominion of Canada Bonds and the Canadian Dollar Shows Strong Credit Rating; Bond Values and Value of Dollar Move Together

In their November investment letter dealing with Canadian credit standing at home and abroad, A. E. Ames & Co. Limited, point out that as an important external borrower, the Dominion and its obligations are constantly being subjected to dispassionate and critical appraisal in the financial markets abroad. In this respect Canada is not different from any other country, for one fact established beyond doubt in recent years has been that external quotations for national bonds and currencies have usually given a faithful indication of actual economic conditions. Occasionally extraneous and seasonal influences may exert temporary sway but in the long run the markets accurately reflect the turn of events.

A year ago declining prices of British bonds and the fall in sterling were the market expressions of the budget deficit in Great Britain, the instability of her international accounts and the sharpness of political turmoil. Similarly in the United States the federal deficit, bonus agitation, bank failures and Congressional threats against the integrity of the gold standard found rapid repercussion in the declining prices of United States Government bonds and in a substantial outflow of gold from that country. These are but two of many examples of the close correspondence between the state of fiscal and business affairs and the valuations placed upon national bonds and national currencies.

Improvement Recognized

Now that the financial tide is becoming more favorable the rise in the value of Dominion of Canada bonds and of the Canadian dollar may be regarded with great satisfaction as an indication that improvements in our domestic financial affairs are being recognized abroad.

This rise is shown graphically in the accompanying chart where the daily quotations of Canadian Government bonds in New York and of the Canadian dollar in New York may be readily traced since September, 1931. While the recent improvement in the Canadian dollar is in part seasonal, the quotations reflect, not only the passing of the panic phase in American finance but also the heightening of our credit standing as a result of the better economic outlook in Canada.

While in many directions business activity in this country continues at depressed levels, among the elements which have imparted confidence are the strength of our financial institutions, the absence of inflation in our fiscal policies, the strict observance of our contractual obligations in foreign countries and the resolute manner in which problems of public finance are being met.

Not alone are the rising quotations for Canadian bonds and the Canadian dollar indicative of our high credit standing. It is especially noteworthy that at a time when public financing abroad has been difficult, Canada is the only foreign nation which has had access to the United States money markets during this year. The immediate oversubscription of an issue of $60,000,000 Dominion of Canada 4 per cent One Year Notes offered at par a month ago is convincing evidence of the regard with which our obligations are held abroad.

Appoint Receiver Gen. Brock Hotel

General Brock Hotel Co. was placed in receivership on October 20 and Montreal Trust Co. was appointed receiver. This action follows default by the company of interest and sinking fund payments due October 1 on its first mortgage bonds of which there is some $970,000 outstanding.

In the event that the company does not meet obligations due within the 30 days of grace provided in the trust deed it is understood that bondholders will take action to foreclose on the property. The hotel, located at Niagara Falls, Ont., has suffered severely from decline in tourist revenues.

The new bonds are not a good issue for trading purposes.

It appears in advance that the new loan will be largely taken up by large investors in the east who are fully aware of the substantial improvement in bond prices in recent months and who are able to look ahead and see the possibility of still lower interest rates. The sale of the bonds to small investors, it is believed, will be considerably smaller than was the case in the National Service Loan. The three year bonds are really a short term issue whereas the five year bonds of the National Service Loan did not fulfill the requirements of either a short term or a long term issue. Ready over-subscription of the three year bonds is forecast by dealers. Buying by institutions and industrial companies of the present loan will be strictly on a basis of actual requirements it is believed and in the sales campaign the element of patriotic appeal is being subordinated to the purely business aspect of investment in the new bonds.

Trend of Yields Down

The indication that the new Dominion domestic loan, while carrying a 4 per cent coupon rate, will be sold at sufficient discount to provide for a net return on the investment of approximately 4½ per cent brings to attention the recent trend of money rates and yields on Government bonds. Some comments on prevailing monetary conditions in so far as they have a bearing on the issue of the forthcoming Government loan, have been made by J. A. McLeod, general manager of The Bank of Nova Scotia and president of The Canadian Bankers' Association.

"The return of about 4½ per cent from Canadian Government bonds," said Mr. McLeod, "though regarded as being high before the war, is attractive for such high-class securities when the lower rates prevailing in the larger financial centres during the past year are taken into consideration. Both in London and New York money rates have shown striking changes recently. Since last January the Bank of England rate has dropped from 6 per cent to 2 per cent but from artificial rather than from natural causes. The departure of England from the gold standard rendered the Bank of England rate independent of international movements of capital and the paving of the way for the British Government's conversion loan, whereby approximately £2,000,000,000 Government 5 per cent loan were exchanged for bonds bearing a coupon rate of 3½ per cent, also involved a scaling down of money rates. British Consols now yield 3¼ per cent and in the past month a British Government offering of £150,000,000 of 2 per cent bonds due 1935-38 at 99½ was over-subscribed.

"Then, in the United States, notwithstanding that country's economic problems, there has been a similar trend. Short term money rates are nominal and quite recently the United States Treasury offering of $450,000,000 of four and a half year 3 per cent notes was over-subscribed some twenty times.

"Other countries have been similarly affected and so has Canada, though this country has not experienced the wide fluctuations in money rates that have characterized other markets at certain times.

"Taking into consideration the sound credit of Canada, the yield of the new loan is attractive, but, at the same time, can only be expected to apply to securities of this high grade type. For a century before the war Canadian Governments bonds never yielded higher than 4½ per cent; in 1897 Canada issued £2,000,000 at 2½ per cent inscribed stock in London, England to yield 2.81 per cent and in 1914 the investor in a new Dominion of Canada loan received only 4.05 per cent.

"With so large a proportion of War and Victory Loan maturities already converted to long term issues, with the encouraging manner in which the National Service Loan and the recent flotation of a substantial 4 per cent issue in New York were received, the situation in the Dominion is such as to warrant again ready response on the part of the investing public in subscribing to the forthcoming loan and I confidently hope and believe that it will meet with the measure of success that has characterized previous Dominion Government issues."

The personnel of the committees is as follows:

Management Committee: Rt. Hon. R. B. Bennett, P.C., K.C., LL.D., hon. chairman; Hon. E. N. Rhodes, P.C., K.C., LL.B., Minister of Finance, hon. chairman; Sir Charles Gordon, G.B.E., chairman; V. M. Drury, vice-chairman; J. A. McLeod, Bank of Nova Scotia; S. H. Logan, Canadian Bank of Commerce, M. W. Wilson, Royal Bank of Canada; Beaudry Leman, Banque Canadienne Nationale; R. A. Daly, R. A. Daly & Co.; J. H. Gundy, Wood, Gundy & Co.; E. Gerald Hanson, Hanson Bros., Inc.; I. W. Killam, Royal Securities Corp.; A. J. Nesbitt, Nesbitt Thomson & Co.; Ernest Savard, Ernest Savard, Ltd.; H. R. Tudhope. A. E. Ames Co., Ltd.; J. Gordon Weir, McLeod, Young, Weir & Co.; A. F. White, Dominion Securities Corp., Ltd.; A. J. L. Haskell, secretary of the committee.

Special names committee: chairman, Alan Williamson, Wood, Gundy & Co., Toronto; vice-chairman, Norman Brooke, Royal Securities Corp., Montreal; Toronto representatives, J. L. Graham, J. L. Graham Co., G. C. Norsworthy, Griffis, Fairclough & Norsworthy; Paul Flemming, Flemming, Denton & Co.; J. H. Christie, R. A. Daly & Co.; D. B. Weldon, Midland Securities Corp.; C. P. Fell, Matthews & Co. Montreal representatives, F. Mead, Mead & Co.; R. Brown, Harris, Forbes & Co.; D. K. Baldwin, Nesbitt, Thomson & Co.; J. P. F. Kempf, Credit Anglo-Francais; J. O. Hastings, Hanson Bros. Inc.; W. S. M. MacTier, The National City Co., Arthur Lawson, W. C. Pitfield & Co.

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Will Re-organize Firstbrook Boxes

Reorganization of Firstbrook Boxes Ltd. has been arranged whereby a new company of the same name will be formed to take over the assets of the present company subject to approval of the court. It is expected that the new company will assume all liabilities of the present company.

No cash is involved in the reorganization it is understood. There will be an exchange of present securities for securities of the new company and an early announcement of the terms of exchange is expected. The company has outstanding some $487,500 of 6 per cent first mortgage bonds, $496,600 of 7 per cent preferred stock and 60,000 shares of no par value common.

GATINEAU POWER BOND VALUATION UNDER PRESSURE

Several Circumstances Work to Disadvantage of Market Status

From Our Own Correspondent

MONTREAL. — Selling pressure over the past two or three weeks has forced down the price of Gatineau Power Co.'s 5 per cent bonds from 82 to a current level of 76. At one time the bonds were selling at 70, at which point they yielded a little better than 8 per cent.

As far as can be ascertained there have been no developments in connection with the company to warrant the bonds selling off. Revenues of the company this year todate compare satisfactorily with those of last year, when the bond interest was covered by a substantial margin.

Reasons for Pressure

Pressure is attributed to three main causes. The thoroughly unsatisfactory situation in the newsprint industry has had an important bearing on the price of the bonds. Gatineau sells a large block of power to Canadian International Paper's mills in the Ottawa Valley. Operations of these units are not as favorable as they were last year. This combined with the thought that some difficulty might be experienced by the paper company in paying its power bill has led to some selling.

As principal and interest on these bonds are payable in New York funds, the drop in the value of American dollar in relation to the Canadian dollar, has had a direct bearing on the value of the bonds. This is a fluctuating factor and has not been without its influence on other bonds of a similar type, such as Duke-Price, Shawinigan, Montreal Power, etc.

Signs of Liquidation

It has also been noticeable of late that there has been forced liquidation from American sources. This type of selling has been noted in the case of nearly all the Canadian public utility and power bonds originally marketed in the States.

The drop in Gatineau Power bonds would probably not have been so marked of late, were it not for the fact that very few commitments have been made by Canadian bond buyers, who have deferred new purchases until the new Dominion loan is out of the way.

Bond Interest Position

In respect to the earning power of the company, the last financial statement for the year ended December 31, 1931, showed a "breakdown" in income. This revealed that earnings from the Ontario Hydro power contract and sales to the company's own retail distributing system, were sufficient to take care of operating expenses, interest on first mortgage bonds and depreciation. Income from other sources, included power sold to Canadian International Paper, covered all other senior charges by a margin of $1,811,977.

Ontario Secures $15,000,000 in N.Y.

Ontario has arranged a loan of $15,000,000 in New York through the Bank of Montreal and the Bank of Nova Scotia to retire maturing obligations of $11,000,000 and for other provincial needs. The loan is at 3½ per cent and matures in one year in New York funds. Cost of the financing to the province is not disclosed.

No public offering of the notes is anticipated but a substantial part of the issue is understood to have been placed with investors. Principal installments payable by the province on long term obligations up to June 1, 1933, total only $4,011,000 and guaranteed bonds add another $3,450,000, a total of $7,798,000. It would appear that the refunding operation affected short term loans obtained in New York during the past 12 months.

REPORT CAUSES B. C. GOVERNMENT TO TAKE ACTION

Plans Balanced Budget For Next Year; Cuts Expenditures

From Our Own Correspondent

VANCOUVER.—Faced by fixed charges totalling $15,500,000, the British Columbia government will be unable to meet in full the economy recommendations of the Kidd report, but it has pegged the current budget at $22,500,000, which is $2,000,000 less than the amount previously set.

The government now is required to provide for debt purposes $10,000,000 more than the province was spending altogether before the war. In addition to that, the grants to municipalities are about $5,500,000 and any attempt to reduce them will be strenuously opposed by municipal organizations.

The government has, as a result of the Kidd committee's advice, definitely decided that the budget must be balanced and that any thought of failure to balance it must not be entertained.

George Kidd, chairman of the committee which brought in the much discussed report, declared that most of British Columbia's economic troubles were due to a failure to balance the budget properly for 20 years. He warned that a deficit of $6,500,000 was in sight unless the budget was brought within sight of income.

WALKERVILLE MUST REDUCE EXPENSES

Lower Mill Rate Needed to Stimulate Collections, Seeks Govt. Aid

J. J. Murray, finance committee chairman of Walkerville, Ont., has announced that budgets of spending bodies must be cut 25 per cent for 1933 if the city is to avoid default on its bonds. The present tax rate of 40 mills must be reduced in Mr. Murray's opinion and the 1933 rate should not be higher than 35 mills while a rate of 32 or 33 mills would result in better collections and less loss of property. A reduction of 25 per cent in the budget would result in a saving of from $70,000 to $75,000 and a reduction in the tax rate of 4 or 5 mills. Mayor Bennett states Walkerville's position is sound since tax collections exceed 80 per cent.

Walkerville has asked the approval of the Ontario government to a suspension of capital payment on the debentures of Walkerville Housing Commission for a period of five years. The plan proposed is that the Housing Commission debentures be extended for five years and during the next five years, no principal payment would be made. The Ontario government is not prepared to offer financial assistance to the municipalities having trouble with financing of housing commissions, but it is believed there is a possibility that the government might help municipalities by granting them a moratorium on housing commission bonds.

Commission Has Deficit

The deficit of the Walkerville Housing Commission amounted to $25,000 in 1931 and had to be met in the general tax levy in Walkerville this year. The number of purchases of Housing Commission houses who were defaulting on capital, interest and tax payments is increasing with the probability of a larger deficit next year.

It is also proposed that the Ontario government will be asked to increase the proportion of Walkerville relief costs. At the present time, the Ontario and federal governments are contributing two-thirds to Walkerville welfare costs, paying 80 per cent of the relief costs in Windsor, and 100 per cent of relief costs in the seven defaulting municipalities.

St. Catharines Report Shows Strong Position

Over 75 per cent of the entire debt of St. Catharines, Ont., matures in the next 11 years and a sinking fund of over 65 per cent of the outstanding sinking fund debentures of the municipality is already on hand to retire the debentures, according to a circular letter prepared by Stuart K. Watt, city treasurer, prior to the city's recent sale of an issue of $95,837 of 5 and 6 per cent debentures. St. Catharines is stated to have the lowest per capita net debt of any of the eight Ontario cities having a population equal to or larger than St. Catharines.

Gross debt of the municipality has been reduced steadily during the past seven years and is now almost $607,000 lower than in 1924. Debts of the several utility services of the city have also been reduced. At October 7, over 78 per cent of the 1932 tax levy had been collected and of the tax arrears brought over at the beginning of the current year, 36 per cent of the 1931 arrears has been collected and 26 per cent of the arrears of prior years. The city has no bank indebtedness at present.

St. Catharines has an assessed value for taxation of $25,115,555 and the tax rate for 1932 is 41 mills. At October 7, 1932, taxes owing to the city totalled $446,235 of which $257,569 was out of the 1932 levy. Total debenture debts at October 8 was $4,069,957 and sinking fund totalled $1,222,988 which represented a surplus of $68,600. During 1931, the city had a net surplus on current account of $4,136 and both water works plants and electric lights plant showed a net profit after deducting depreciation, operating expenses, and interest on sinking fund on debt. Present population is 26,161 compared with 23,327 in 1927.

BRITISH ISLES HAS LARGE STOCKS OF SOVIET LUMBER

Abrogation British Trade Treaty With Russia May Help B. C.

From Our Own Correspondent

VANCOUVER — Abrogation of the British trade agreement with Soviet Russia was interpreted here as a further guarantee by the Motherland that effective measures would be made to restrict sales of cheap foreign lumber, canned salmon and other products in the British market at the expense of Canadian and other Empire goods.

British Columbia lumbermen and salmon packers were uncertain at the conclusion of the Empire Economic Conference how Great Britain would be able to give effect to the promise of the British delegates that Soviet imports would be restricted so long as the treaty with the Moscow government remained in force. Now, however, this temporary uncertainty has been dispelled, although the two coast industries are still keenly interested in the detailed working out of the restrictive plans.

Has Much Soviet Lumber

Results of the new tariff set-up in Britain are not expected to have immediate benefits for British Columbia's lumber business, however, as the British Isles are apparently well stocked with Soviet lumber. Anyway, the British market will absorb under normal conditions only the high grade lumber, leaving a large proportion of the lumber cut to be disposed of elsewhere. Efforts are now being made to find a satisfactory outlet for large quantities of this lower grade lumber in China.

Meanwhile lumbermen here are considering various means of offsetting the advantages of North European exporters in the British market. One plan suggested is the establishment of a concentration base somewhere in Britain for lumber from Canada where orders could be filled at short notice to buyers in various parts of the British Isles without the delays in delivery now unavoidable owing to the great distance between producing point and market.

G. Tamblyn 1932 Sales Show Substantial Level

Sales of G. Tamblyn, Ltd. for the nine months ended September 30, 1932, were $2,806,895 compared with $3,872,249 in the entire 1931 fiscal year. It is stated that under existing conditions the decrease in sales is not large when it is remembered that every quarter in 1931 set up a record for all past time for the company.

Sales for the quarter ended Sept. 30, 1932, were $851,080 as compared with $911,092 for the corresponding period of 1931. Net profit for the quarter decreased $24,362 when these two periods are contrasted.

Appoint Walsh Advertising to Handle Chrysler Account

Walsh Advertising Co. of Windsor, Ont, has been appointed advertising counsel for the Chrysler Corp. of Canada and its subsidiaries. The company will place advertising in Canada for Chrysler, De Soto, Plymouth, Dodge, Dodge Trucks and Fargo buses and motor coaches.

The Walsh agency was established in 1928 and has developed rapidly since that time. It is headed by T. E. Walsh, formerly a newspaper man who spent many years in various capacities with London newspapers. At 22 he was city editor of the Free Press and for 7 years, advertising manager for the London Advertiser.

Berwick Fruit Company Active

The Berwick Fruit Company of Berwick, N.S. has set in operation its new cold storage plant lately installed. This plant provides storage for from 12,000 to 15,000 barrels. It is divided into five compartments, each having its refrigeration coils independently connected so that any one room may be separately operated. Nearly three miles of refrigeration pipe is laid in the storage department.

Public Utility Earnings

British Columbia Power

Sept.:	1932 $	1931 $
Gross earn.	1,059,379	1,148,408
Operat. exp.	608,338	641,065
Net earnings	451,041	507,343
3 Mos. end. Sept. 30:		
Gross earn.	3,172,889	3,536,214
Operat. exp.	1,834,527	2,025,415
Net earnings	1,338,362	1,510,799

Can. Western Natural Gas

	1931 $	1932 $	Increase $
January	262,102	296,751	34,649
February	226,842	338,591	111,749
March	232,102	287,945	55,843
April	214,889	205,967	*8,922
May	124,260	126,078	1,818
June	84,419	85,155	736
July	67,405	58,586	*8,819
August	59,367	55,502	*3,865
Aggregate†	1,271,386	1,454,575	183,189

*Decrease.
†Earnings from 1st Jan. to 31st Aug.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

August:	1931 Feet	1932 Feet	Decrease Feet
Lumber manftd...	7,126,891	7,782,800	*655,909
Lumber sold	8,525,731	7,022,763	1,502,968
Price realized	$111,637	$81,482	$30,155
Agg. man.†	65,944,106	66,791,638	*847,532
Agg. sold†	69,211,383	65,505,034	5,706,349
Price realiz.†	$998,950	$789,372	$209,578

†From Jan. 1 to Aug. 31.
*Increase.

Railway Earnings

Canadian National Railways

Sept.:	1932 $	1931 $
Gross rev.	14,108,689	15,159,905
Oper exp.	11,279,855	13,772,823
Net revenue	2,828,833	1,387,081
Oper. ratio	79.95%	90.85%
Aggre., Jan. 1 to Sept. 30:		
Gross rev.	107,226,981	132,552,815
Oper. exp.	101,026,863	128,987,044
Net revenue	6,200,117	3,565,770
Oper. ratio	94.22%	97.31%

Metal Prices

New York—October 25—
Copper: Electrolytic spot, 5c. to 5¼c. lb.
London—October 25—
(Long Ton)—
Copper: Electrolytic spot, £35 10s; future, £36 10s.
Standard spot, £31 7s 6d; future, £31 10s.
Tin: Spot, £153; future £153 5s.
Lead: Spot, £11 15s; future, £12.
Zinc: Spot, £15 2s 6d; future, £15 7s 6d.
Silver: 18d. per ounce.

INVESTMENT SECURITIES

THE NATIONAL CITY COMPANY LIMITED CANADA

The National City Company
Limited
360 St. James St. MONTREAL
320 Bay Street TORONTO

Advisory Board
Sir Charles B. Gordon, G.B.E.
Sir John Aird
W. A. Black
The Hon. A. J. Brown, K.C.
Wilmot L. Matthews
F. E. Meredith, K.C.
Lt.-Col. Herbert Molson, C.M.G., M.C.
W. N. Tilley, K.C.
The Hon. J. M. Wilson
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Policy on Bernard Shaw at 76, Causes Comment

Comment has recently been made, says Eastern Underwriter, about the life policy for £10,000 just taken out by Bernard Shaw, by a prominent London actuary. Mr. Shaw is 76.

"Our own age limit," the actuary explained, "for a man to insure himself is 70 years, but we do quite frequently insure first-class lives between the ages of 70 and 80 on the condition that we are given a statement as to the reason that has prompted the person to apply for insurance.

"If the applicant is a man of substance and if he states that he requires a policy to protect his estate, we would certainly accept. If a man of 76 were to take out a whole life policy, with premiums participating in profits, we would require £183 ($915) per £1,000 ($5,000). In the case of Bernard Shaw we should require £1,830 ($9,150) per annum. We reckon that the average future life of a man of this age is 5.7 years. Before he had reached 82, therefore, we would be more than covered. As a matter of fact, we should not consider that we were taking a greater risk in insuring a man of 76 years of age than a man of 26 years. It is an arithmetical calculation. The risks would be exactly equal."

Sudbury Mining Claims Recorded

During September approximately 450 claims were recorded at headquarters of the Sudbury mining division, the biggest total of applications to be received in any month in the last three years. During the same period sales of miners' licenses to individuals amounted to 127, an average of about five licenses having been sold every day the office was open.

Bond Sales

KITCHENER, ONT.

H. R. Bain & Co. has been awarded $174,733 of debentures of the City of Kitchener, Ont. at 103.57, a cost basis to the city of approximately 5.10 per cent. Of the total $62,748 are 6's maturing in 10 installments and $111,984 are 5½'s maturing in 20 installments. Bids were as follows:

1	H. R. Bain & Co.	103.57
2	Milner, Ross Securities	103.54
3	Dominion Securities Corp.	103.179
4	Bell, Gouinlock & Co.	103.059
5	Royal Securities Corp.	102.79
6	Harris, MacKeen & Co.	102.762
7	Cochrane, Murray & Co., Griffis, Fairclough & Norsworthy	102.717
8	Dominion Bank	102.69
9	Wood, Gundy & Co.	102.62
10	Harrison & Co.	102.53
11	A. E. Ames & Co.	102.43
12	McLeod, Young, Weir & Co.	101.66
13	Fry, Mills, Spence & Co.	101.53
14	C. H. Burgess & Co., Gairdner & Co., J. L. Graham & Co. 5½'s	101
	6's	102

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1938	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104

*Called in part.

Bond Tenders

Nov. 7, Twp. of Stamford—$42,314, 5 per cent 18-installment debs.; $14,687, 5½ per cent 18-installment; $14,478, 5½ per cent 19-installment.

Nov. 1, Thorold—$31,049, 5 per cent 5, 10, 15 and 20-installments; $15,402, 5½ per cent 10 and 15-installments. B. R. Noble, treasurer.

Syndicate Offer Bonds of St. Lambert on Parity

From Our Own Correspondent

MONTREAL—Banque Canadienne Nationale heads a syndicate of investment bankers offering at 100 and accrued interest $300,000 of City of St. Lambert 6 per cent serial bonds. Other members in the group include Ernest Savard Ltée., W. C. Pitfield and Co., Rene T. Leclerc, Inc., and Bell, Gouinlock and Co.

These bonds are a direct obligation of the city and have been approved by the Department of Municipal Affairs. Proceeds of the loan will be used in connection with the consolidation of the floating debt.

Halifax Grain Deliveries Double

The grain movement at the Port of Halifax is active this season, being double in volume that of the previous year and of the year before. Deliveries, as at October 4th, amounted to 1,450,003 bushels as compared with 749,971 bushels at the corresponding date last year and 571,875 bushels at the same date of 1930.

GUY BROWN, manager of the Royal Bank at Lindsay, has been transferred to the Queen St. branch of the Bank at Toronto. Mr. Brown has been manager of the Lindsay branch for 8 years.

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

AN INVESTMENT returning you $100.00 for investing $76.24 for 5 years

Canada Permanent accumulative bonds with interest at 5½% per annum compounded half-yearly, offer an attractive opportunity for the safe and remunerative investment of sums large or small.

CANADA PERMANENT Mortgage Corporation
320 Bay Street, Toronto
Assets exceed $70,000,000

THE ONTARIO LOAN AND DEBENTURE Co
LONDON, CANADA
61 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000.
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
4% Paid on Deposits. 5½% on Debentures.
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Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Canadian Bakeries	Aug. 31	9,438	*21,550	...	...	...	10,260	822	...	...	...
Power Corp.	June 30	*377,737	2,177,319	0.15	1.84	...	1,810,382	3,531,562	8	...	...

*Deficit.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Kitchener, Ont.	Oct. 24	H. R. Bain & Co.	5½%	20-ins.	$111,984	103.57	5.10%
			6%	10-ins.	62,748		
Ontario	Oct.	Bank of Montreal, Bank of Nova Scotia	3½%	1 yr.	$15,000,000	....	....

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TORONTO, OCTOBER 29, 1932

BUSY, VITAL, ACTIVE BUT IS IT SUCCESS?

MOST first-hand observers of the Russian scene find so much activity, so much that is new and vital, so much that impresses them by its sheer stupefying immensity that their imagination and their honest intellectual conception can hardly grasp it. In the brisk and earnest industry of the Russian scene there is the atmosphere of success. People are improving the shining hour with a persevering hum; they are doing things that are not being done anywhere else in the world and doing them in newer ways. Russia today is a picture of a sluggish and somnolent people aroused to restless working.

But is mere action success? Communism in Russia seems to be working because there is so much to see. But eventually there will come the testing time when all that is being accomplished and all that is planned must be measured with age-old social and economic yardsticks. Only then will we know if Lenin and Stalin have served Russia well.

Most people who went into Western Canada five years ago would have seen in the Canadian wheat pools the most important and successful experiment ever attempted in the history of the world's agriculture. There was brisk enthusiasm, new velocity, eager vitality, persistent splendor to support the impression of tremendous success. But the wheat pools crumbled, because they were built on the foundations of false economics and in their wreckage were seen the distress and suffering of the farmers.

Most observers who looked upon the Canadian National Railways five years ago saw a throbbing machine in motion under full steam, expanding, advancing, to become a great and popular wonder. Sir Henry Thornton was the greatest railway chieftain in the world, the Stalin of the rails who had but to dream to conquer. Today we know something of the cost at which this show of achievement was attained. The bitter disappointments of Canadian workers and other taxpayers reflects the failure of this attempt to replace economic sanity with financial madness.

This week a splendid, a magnificent address on Russia was delivered in Toronto by Frederick Griffin, feature writer of the Toronto Daily Star. Mr. Griffin is a great reporter of news. From Russia he wrote vivid and photographic despatches on the bustling Soviet arenas. This week, in his address, he attempted a philosophic interpretation of the great experiment, marked by some penetrating observations on the new Communist ideology. But he had few reservations in his proclamation that Communism in Russia was working and he interpreted the push and furore as finalized achievement. Much the same conclusion is drawn by Thornton Purkis in his series of articles in The Financial Post.

The sober minded student, not only of contemporary history but of the fundamental movements of the past, will make a larger allowance for human frailty and for the relentless pressure of deeper forces than small groups of men can control. He will wait and see. In the past, in the age long struggle between the forces of individual effort and mass motion the individual has always triumphed. What reason have we to believe that even the great military war of 1914 to 1918 and the great economic war of the succeeding years have changed the grain of life?

The history of the new Russia is being acted today and the visiting journalist finds himself entirely surrounded by copy. But his copy may get scant attention from the historian of tomorrow. It is not that we will learn nothing from Russia. From such a vast laboratory some contribution to human knowledge will come. But men's habits and ideas change slowly. Economic knowledge is not discovered, it is learned.

IS WELSH COAL PROBE BEING EVADED?

THE Senate, through Rt. Hon. Arthur Meighen, government leader, has indicated its willingness to undertake a probe of the profit spread on the sale of Welsh anthracite in Eastern Canada.

It is also stated that the Dominion Fuel Board will undertake a similar enquiry.

At the same time it is pointed out that a Royal Commission may be necessary to obtain evidence that must be taken in Great Britain.

This beating about the bush at Ottawa suggests that there may be a keener desire to do a job of whitewashing or evasion on the British coal question than to obtain the facts.

Senator Meighen's intervention is particularly apt to be misunderstood by the general public in view of the fact that the president of the British Coal Company and of the Canadian Import Company is also director of Senator Meighen's investment companies. This notable figure is Senator Lorne C. Webster.

There is no particular objection to the Dominion Fuel Board studying prices other than the fact that their work is technical in nature and is hardly concerned with matters of fair business practice.

A Royal Commission would be an absurd and unnecessary item of expense.

Canada has established machinery for the investigation of combines, price-fixing, and other practices injurious to the public and if there is any reason to suspect combination or excessive profit-taking in the importation or sale of Welsh coal the registrar of the Combines Investigation Act, F. A. McGregor, has the experience, the machinery and the authority to conduct such an investigation. The public will be suspicious of any investigation that ignores so completely the governmental department whose duty it is to deal with such complaints.

At the same time arrangements might be made for the registrar to receive technical assistance from the Dominion Fuel Board.

BEST MEN, NO MATTER WHENCE THEY COME

THE Saint John Telegraph-Journal agrees with The Financial Post that sectional considerations should not rule in the making of appointments to the new Canadian National trustee board. But it wonders what would be the attitude of The Financial Post if the new C. N. R. board were chosen from outside the boundaries of Quebec and Ontario.

This is a rather unfair jibe. If it was calculated to arouse Maritime antagonism to "Central" Canada it could hardly have been more pointed. Our previous plea for the selection of the country's best men, regardless of their domicile, has already answered the question. The Post cares not where the men come from if they have a national viewpoint and are able to handle the job.

A national publication like The Financial Post, that is published as near as possible to the mailing centre of Canada, knows no Maritimes, no Pacific Coast and no Upper Canada. It knows only Canada.

Let us have the best men and if they happen — like some of the best bankers of Canada—to be predominantly Maritimers no protest will be heard in these columns.

CIRCLE OF REDUCTION

NORWAY, Finland, Uruguay and other countries are seeking to negotiate trade agreements with Great Britain. Britain has cancelled her present agreement with Russia but will negotiate another. The signing of the Imperial Conference agreements by Canada did not cancel our treaties with foreign countries. All of these points are important.

The Imperial Conference agreements represent an important step in the direction of general worldwide tariff reduction, the first such step taken by any cross-section of this economic world since the war. Starting from preferential tariff reductions between the Empire countries, the movement will spread outward, through treaties between Empire countries and foreign countries, to touch the tariff policies of all nations. Meanwhile, progress in bringing about commercial union in Europe or even in the closer linking of the United States and Latin-America will set in motion similar forces to crumble the walls established by exaggerated economic nationalism. The British countries have started something that may go a long way before its price is spent.

ECONOMICAL EVEN IN EXTRAVAGANCE

THE Railway Commission abandoned six-ounce gloves in dealing with the Canadian Pacific Railway just as it did in connection with the Canadian National Railways. Nevertheless running through the report is the dominant opinion that if the C. P. R. directors invested extravagantly in the recent railway building mania, if they made costly mistakes it was because of a notion in their minds that they had to keep up with the publicly-owned railway in service and equipment or fall so far behind that they would lose prestige and traffic.

Time has proven that the C. P. R. directors would have done better by the shareholders if they had allowed the Canadian National to squander the taxpayers' money and had continued to plow a hard furrow of rigorous and sensible economy. In any event, the C. P. R. expansion was not entirely due to a desire to keep up with the National line. No doubt the directors convinced themselves of the essential merit and profit possibilities of most of the new investments to which they committed themselves. "Keeping up with the National Joneses" was at best only a partial explanation of their policies.

There is some satisfaction to C. P. R. shareholders in knowing that even in their extravagances the C. P. R. board were more modest and economical than their great competitor. An illuminating comment on this appears in the report where it is shown that between 1923 and 1931 the cost per mile of branch line construction on the National lines rose from $40,214 to $51,640 while on the C. P. R. it declined from $35,470 to $30,299. To which the report adds this footnote:

"The cost of individual branch lines varies not only as between the two systems but as between branches of the same system; nevertheless, a majority of the lines were built in similar territory for like purposes. This difference in costs represents an addition to the annual interest charge of almost $800 per mile."

WHY OUR FARMERS RUSH WHEAT TO MARKET

AN INTERESTING letter, written by a continental grain merchant, has come into the possession of The Financial Post. This merchant feels that Canada is showing lack of backbone in the marketing of her wheat crop this year. He contends that all the factors in the wheat market are favorable; everything points to higher prices. Yet Canada is rushing its wheat to market. He says:

"To European observers it is a riddle why the Canadian farmers are marketing their good crop of good quality in such an uneconomical way. If the financial arrangements are not quite perfect for financing the crop, it would be very bad advertisement for the financial power of the Canadian Government. Or does the extraordinary heavy yield per acre compensate to some extent for the lower prices? We doubt it.

"Canada will never again be in the same splendid position as she is now; there is no other country willing or able to compete.

"There must, therefore, be something radically wrong in Canada. What is it?

"Has the Canadian Government, the Canadian press, or the Canadian trade not fulfilled its duty of informing the Canadian farmer of the unique position which Canada holds, or are there secret forces at work against Canada taking advantage of this exceptional position?"

The writer of this unique and interesting letter may be quite sound in his analysis of the wheat situation with its forecast of higher prices. On the other hand he may be quite wrong. We do not know. But there are some other things we do know.

We know that Canada carried over 130,000,000 bushels of wheat into the current crop year, or 80,000,000 bushels above a normal carryover. We know that this year's crop is running anywhere up to 150,000,000 bushels above last year's wheat crop which gives us that much more wheat to sell. We know that the world's purchasing power is no greater than it was a year ago and that assurance of early recovery is not yet definite. We know that the credit of the Dominion of Canada is involved in the carrying of carryover wheat as well as of much of this year's crop and that large paper losses have been incurred in carrying this wheat. We know that the one thing that finally broke the wheat pools was their refusal in 1929 to market their wheat either as it was harvested or on an orderly basis. They held out for higher prices and ruined themselves and thousands of their farmer members.

We know all these things and, knowing them, cannot but be impressed with the idea that possibly the Canadian farmer is just trying to play his marketing game safely this year. Once bitten, twice shy.

EDITORIAL NOTES

The Manitoba Free Press says "The Financial Post is an ardent supporter of the Bennett Government." Has the Free Press asked Mr. Bennett's opinion on that?

* * *

Hoover's work is not done but it looks as though he is not to be given a chance to finish it. Bennett's life goal has been attained but he cannot very well quit now.

* * *

Prison riots are horrible affairs but if the Portsmouth Penitentiary affair brings about an investigation of the cruelties and discrimination of Canadian prison administration it will aid in achieving penal reform in Canada.

* * *

Newfoundland has issued a 24 cent stamp depicting a view of a boat loading iron ore at Wabana. Another good subject would be Sir Herbert Samuel resigning from the British government because Newfoundland was given a preference on cod liver oil.

* * *

Roosevelt is not likely to be a dangerous president but what a fix the United States will be in if Roosevelt, an invalid, fails to last out his term of office and is replaced by vice-president presumptive Garner, dangerous and revolutionary radical from Texas.

* * *

It takes a psychologist rather than an economist to explain why Europe thinks that world depression was caused by the flow of gold to the United States while America feels that continuance of the process of recovery depends upon her ability to lose no more gold.

* * *

The opinion of the Toronto Star on the Imperial Conference budget of Finance Minister Rhodes apparently is first, that it is anti-British; second, that it is anti-Canadian; and third that Mr. Bennett deserves no credit for it anyway as it is a straight steal of the Dunning budget.

* * *

Our favorite editorial writer, Walter Lippman, of the New York Herald-Tribune, falls into error when he says that in the two Americas, only one government, the U. S. federal, spends as much as half the amount of the New York city budget. Hasn't Mr. Lippman heard of Canada and its Canadian National Railways? New York budget last year was $621,000,000. On current account it spent a little more than that. Half of that would be about $300,000,000. Canada on current and special account and Canadian National Railways deficits spent over $500,000,000.

POST-scripts

OH TO be a vice-president—any kind of a vice-president.

The statement of conditions of the Guaranty Trust Co., of New York, has just been received and by actual count this company has no less than 45 vice-presidents and 30 second vice-presidents listed on the title page of its report.

This title in the United States seems to have become simply a bit of business red-tape rivalling anything found in government circles.

IT LOOKS like a rough night for the sailors next New Years. A Fleet order recently issued states that on January 1 the existing steering orders "Starboard" and "Port" will be used in the Royal Navy in the direct sense; that is, with opposite meanings to those at present attached to them. Some automobile drivers we know have been going on this basis for a long time but the new order should add spice to navigation on the high seas. Evidently it is not as complicated as it sounds for the order is a result of the International Convention for the Safety of Life at Sea.

THE government of Canada pays out extra cash when it buys New York funds to pay interest on bonds held in the United States but it makes a profit when it pays interest on bonds held in England. Likewise it occasionally loses money when it buys bonds at a premium or it makes a profit on the discount when it buys bonds at less than par. Considering the depreciation on the dollar the government comes out fairly well for last year. Its net loss was less than three-quarters of a million dollars.

Premiums cost $4,290,841, most of which went to the gold mines as the premium on their gold shipments to the mint during the year. But the country made $1,686,000 selling New York funds; $1,350,000 on sundry premiums on cheques and discount on sterling purchases; $505,000 on discount on bonds bought for sinking fund.

The net result was a loss of $727,000.

WHEN we were driving home with a friend the other night, he decided to put his car in the corner garage for greasing. When we walked into the garage next morning, the mechanic came up and announced that they had not been able to grease the car over-night And then in a somber voice: "Have you heard the news?" Without waiting for an answer he went on to say that the property had been seized by the sheriff. At this moment, two burly bailiffs came up and demanded to know who owned the car. If any work had been done on the machine? Was the car parked there regularly? After a while the bailliff was convinced that no money was owing to the garage, that the car had been bought elsewhere and paid for in full. As the machine was being driven out of the garage, one of the bailiffs with a sense of humor called out: "And if I were you I wouldn't come back here."

As Others See Us

Remembrance Day

The St. Catharines Standard. — Remembrance Day, November 11, is a statutory holiday, and for the first time last year when it came into force, it was more honored in the breach than in the observance. Judging by the comment in various newspapers of the country, there is general dissatisfaction not only with the piecemeal observance of the day, but with the statute which makes November 11 a general holiday. It is largely because the original meaning of holiday is not stressed. Remembrance Day should be a Holy Day.

The Financial Post this week advocates the observance of the Sunday which falls nearest to November 11, as National Remembrance Day, and there is force in the argument presented.

To a great many people the annual Memorial Day and ceremonies in St. Catharines are more impressive and inspiring than the observance of November 11, as noted in the past few years. The lesson of the tragedy of the Great War is more fully and poignantly brought home to the larger number and that should be the object of Remembrance Day. It surely should be a day for the glorification of peace, which the day ushered in at the eleventh hour. And to perpetuate peace should be the aim of all humanity.

State Insurance Next Demand

Port Arthur News-Chronicle. — Reviewing the situation created by the loss of a steamer carrying grain out of Churchill, The Financial Post says that it is likely to put an end to any immediate possibility of bringing about a reduction in insurance rates which is necessary to the financial success of the route.

The Post makes the prediction that the interests which succeeded in getting successive governments to pour tens of millions of dollars into building the railway and creating the port will now likely commence a strong agitation for state insurance. The state insurance that will be asked in this connection will be nothing more nor less than a bonus because the state cannot accept lower rates than private companies and hope to escape loss.

The Post speaks the plain truth when it says it would be folly for the Federal Government to bow to such a demand. Enough money has been thrown into this venture already.

If state insurance meant the government assuming that difference it would represent the extent to which the plan, if adopted, would amount to the sending of good money after bad.

Where Ignorance is Bliss

The Northland Post, Cochrane.—It is now quite evident that a vast mistake was made in going to all the fuss and bother and expense of appointing a Royal Commission to investigate Canada's Railway problem. How much simpler it would have been to turn the whole thing over to The Financial Post, of Toronto, the current issue of which absolutely bristles with columns of advice on this subject, some little of it sense, some nonsense, some correct, a lot of it not so correct. most of it very obviously inspired by a deep-seated antipathy toward the Canadian National Railways. In season and out, The Financial Post never misses an opportunity to caluminate and malign this great experiment in public ownership, and the publication of the summary of the Duff Commission report presented an ideal opportunity for it to indulge its abhorrence to an even greater extent than heretofore.

To most of what The Financial Post has to say regarding the C. N. R., it is unnecessary to take exception. It must be remembered that The Financial Post caters largely to a class of readers not in sympathy with public ownership in any form. In view of this fact, it naturally follows that it makes few, if any, converts to its opinions, and while its attacks on the Canadian National may not do any good, they probably do not do any harm.

Keep It Out of Politics

Huntsville Forester: The Financial Post asks the pertinent question: "Can we keep the C.N.R. out of politics?" Not likely, but we can, by refusing to throw away the only safeguard we have, prevent it from being entirely wrecked, as would be inevitable if its management is brought under the influence of the dispenser of political patronage.

The Ultimate Objective

The Winnipeg Free Press.—Feeling that an effort will be made so to apply the recommendations of the Transportation Commission as gradually to destroy the Canadian National as a publicly-owned institution, is not lessened by such a statement as this by The Financial Post:

"Probably private ownership of the Canadian National Railways is the ultimate objective to be aimed at. But to suggest private ownership now would be to fly in the face of a public opinion that is yet uneducated as to the real seriousness of the railway burden. Injecting such an issue into the discussion would prevent concentration of effort upon the main problem of reducing costs and would to a considerable extent vitiate the good effect of the more useful recommendations made by the Commission."

There is no lack of evidence that the turning over of the Canadian National Railway to private owners is the "ultimate objective" desired by that powerful body of opinion and influence for which the Financial Post speaks in its inveterate hostility to public ownership. The report, even in its summary form, bears evidence that it represents a compromise on middle ground of two sets of views. The question of private or public ownership has been thrown forward for a decision for a period of years; and in the interval there will be a struggle which will be none the less real for being obscured, for mastery between these alternatives. The course to be taken by the Trustee Board and by the Arbitral Board will probably decide the issue. A merger in operation if not in name appears to be the likeliest outcome of the policies embodied in the recommendations; and this will mean at no distant date, a monopoly, private or public. Those who are determined that the latter shall be the line of advance will require to be vigilant and determined. It will be a case of sleeping on their arms.

"Stop Me If You Have Heard This One"

Mr. Smith had just finished putting the seeds into the garden.

"How about the birds eating the seeds?" queried Mrs. Smith. "Hadn't you better put up a scarecrow?"

"Oh, that doesn't matter," was the reply. "One of us will always be in the garden."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

Montagu Norman Starts Something

WORLD event of the week was the address of Montagu Norman, governor of the Bank of England, who recently attracted attention by his eccentric action of travelling incognito as Prof. Clarence Skinner, thus making the front pages of every newspaper in the world with a trip to America that he wanted to keep secret.

"The difficulties of the present economic situation are so vast and so unlimited that I approach the subject not only in ignorance but in humility," he said. "It is too much for me . . . . I hope we may all see the approach of light at the end of the tunnel. Some people have been able to point out that light to us. I myself see it somewhat indistinctly but I admit that for the moment the way is not clear."

New York stock market sagged badly when traders read cabled reports of the address of the famous international financier whose only previous public remark was, 'Don't believe all you hear.' The silent and taciturn consort of the Old Lady of Threadneedle street has clothed himself in a dark garment of mystery and has worked behind oak-panelled doors of cabinet rooms and iron grilles of bank chambers his wonders to perform. As with all men of mystery tremendous significance has been attached to his every movement and he could not board a train or a boat without giving rise to columns of usually idle speculative comment.

* * *

NOW he tells the world that it is hopelessly mired in depression and the world in turn asks itself what did he mean? For no sensible person takes for granted that Mr. Norman broke a life-time silence without weeks of solemn thoughts and without a definite purpose in view. What was that purpose?

To realize that Governor Norman is one of that group of international bankers who exercise such profound control over the monetary and credit systems of American, British and European peoples is to hold in hand the first clue. Possibly it is the only clue and it is one that points in more than one direction. The economic sceptic might harshly remark that perhaps Governor Norman feels that the international bankers are not satisfied with the havoc already wreaked in this capitalist world and is prepared to make things worse in order that the profit accruing to those who will benefit in recovery shall be greater. The economic realist might remark that Governor Norman is anxious to stem a hasty and therefore incipient tide of recovery prior to the complete deflation of obligations that can never be honored at the 1932 price level. The economic sentimentalist might believe that Governor Norman meant what he said that he was throwing up his hands in helpless admission of defeat.

* * *

PROBABLY all are wrong. Sober minded folks sincerely hope so. They will interpret his remarks much as the New York Herald Tribune did. As the Herald Tribune did a neat job of precise expression of this reasonable interpretation one can do no better than quote it verbatim, eliminating only that portion of the comment that indicates that the editor is an avid pro-Hooverite, anxious to turn every news cable into ammunition for the Republican campaign.

"Mr. Montagu Norman, governor of the Bank of England, has made a pronouncement on the state of the world which we believe he will want to supplement with an interpretation when a sufficient number of misinterpretations have come back to him. This great financier knows his own mind, and he undoubtedly meant what he said. But it is possible to glance over his remarks and get the impression that from the vantage point of his office he has looked over the world's economic structure and pronounced it a hopeless ruin, and this is not what he says. What sounds at first like a confession of defeat and despair is, at a closer reading, nothing more than a hard, practical worker's impatient rejection of all the superficial diagnoses of a complex world ailment and of all the quack remedies with which armies of shallow, tiresome theorists keep jogging his elbow.

"It is high time, he says wearily, for all the nostrum hunters to get it into their heads that this universal blight had no one cause in any one place, and that it is therefore foolish and futile to scan the horizon for the appearance of a man with a cure-all prescription. If the task ahead of us were to organize a highly co-ordinated world under a single absolute authority, he concedes that it might be reasonable to call upon that authority for a single formula that would solve all problems. But since the great world ailment is a complication of afflictions, each of which is the subject of controversy among the doctors of a hundred nations, the 'long view' can elicit from the honest student nothing but the confession which Mr. Norman himself makes, which is that the problem is too complex for any one man's grasp.

"This is not defeatism. It is simply an honest view of a world situation which is obscured in this country by much political quackery."

In the Mail

Disagrees With Purkis

The Editor, The Financial Post:

I have been reading the articles of Thornton Purkis on Soviet Russia with a good deal of interest He is apparently in sympathy with their ideals, but his reasons for being so, are not so apparent. I am glad to see the letter of Amédée Buteau in your last issue, asking for more specific details. I too would like to know more about these blissfully happy peasants with lots of fleas and no shoes, and their jolly life, in the big barn. Just slavery under another name.

I am surprised that Mr. Purkis should think the Russians astute business men, by reason of their being able to dislocate foreign markets by dumping goods produced by an enslaved peasantry. Wilberforce was responsible for stopping this many years ago. Mr. Purkis is also in error to think that Canada's refusal to accept certain of their goods, will not stop them. It will, when other countries follow suit, which they are doing, and indeed will have to do. The two kinds of civilization cannot exist side by side, and the Russian style will have to go, and is going. They have readopted numerous capitalistic ideas during the past two years that were taboo five years ago. I think it was Plato, who was fearful of Athens' Democratic form of government two thousand years or more ago, when the country was governed by the worst men, instead of the best. His fears were amply realized. Do you think Russia's case will be different?

—Jamieson Bone.

Belleville, Oct. 21, 1932.

Other People's Views

But It Was Stocks!

The Free Press, Winnipeg. — High lights in history. Nineteen twenty-nine: bonds. Nineteen thirty-two: vagabonds.

Maritime View of Waterway

Saint John Board of Trade Bulletin: Careful study of this subject in the light of available information fails to reveal its promise of any economic benefit to this province. Rather is its definite disadvantage to us contended in certain well-informed quarters. The people of Nova Scotia have arrived at a very similar conclusion, from the standpoint of their province. Of course, were the project obviously certain to reflect advantageously to the major portion and population of Canada, the Maritimes would feel it their duty to play the game, as they have always done. However, it does not seem to be at all definitely established that the enterprise actually would prove the greater good of the greater number. Of course, the completion of the enterprise is expected to absorb ten years—a long time, in which many things may happen, particularly in a vast young country of magnificent natural resources.

At any rate, and in common with Nova Scotia, we are conscious of a decided lack of authoritative data upon the whole subject concerning which we do feel it right and proper that we should be thoroughly and officially informed. Our attitude in this respect has been duly conveyed to Ottawa.

The Wise Citroën

Efficiency Magazine, London.—The richest man in France is Citroën—he who has put his name in electric lights on the Eiffel Tower.

Recently he offered to flood-light the big monuments of Paris at his own expense. He made a profit on it. He owns 7,000 taxis and people drove around at night to see the illuminations.

U. S. Bank Failures

Brandon Sun—The Canadian banking system seems to compare with the loosely controlled United States banking most remarkably in these days of economic stress. In the last ten years there has been one bank failure in Canada. During that period 8,613 banking institutions have failed in the United States. In 1930, 1.345 closed their doors there and in 1931 there were 2,290. In the first six months of this year 808 United States banks have failed. Not one failed in Canada. The depression is more devastating to financial institutions over the border, but there also is no adequate uniform control by law in the United States.

Big Business in Xmas Trees

The advance guard of the Christmas tree purchasers, mostly from the United States, is now on the ground in several parts of New Brunswick, arranging for the usual exports, which will likely reach a volume at least equal to that of last year. One company alone speaks of forwarding forty carloads.

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Business Conditions in Canada

The Week in Business

Fall Business Recovery Disappointing

Business Leaders Disagree With Economists

FAILURE of business to respond in any substantial degree to favorable seasonable and financial influences is probably the cause of current pessimism as to the future outlook for the remainder of the year. When security and commodity markets took their welcome flyer last summer, it was taken for granted by many people that the turn had been made and that from then on, business would steadily improve.

As has been pointed out repeatedly in these columns, this was largely a change in sentiment based on the disappearance of financial panic following the hopeful settlement at Laussane and the dissolution of the United States Congress. It had little basis in fundamental business fact at that time, and although it was obvious that such an improvement in sentiment must necessarily precede any substantial business recovery, it was also deemed true that substantially higher levels for securities and commodities would not be justified unless this improved sentiment were supported by a sound, statistical improvement in business.

* * *

IT IS this more tangible evidence of business recovery which has so far failed to materialize in any great measure and which is now leading to fears that a further business reaction may set in once the seasonal filup of fall business has been spent. In Canada, for instance, two reliable indices such as carloadings and electric power production, which made a brave showing in August, have since proved disappointing. Electric power production which made a good gain in August was slightly higher in September but the gain was less than normal for the season. Likewise carloadings, once the peak of grain movement passed in the middle of September, lapsed to about the same relative position as compared with 1931 figures, as has been held during most of the year.

The most depressing factor in the Canadian picture is still, of course, the price of wheat. This week the government withdrew its "peg" which had been holding prices at around the 50 cent level and prices slipped back 2 cents to new all-time low levels. Added to this the fact that visible stocks of wheat in store in Canada are over the 222,000,000 bushels mark as compared with 142,000,000 bushels at this time last year and the picture becomes none too happy.

* * *

IN THE United States, about the same relative picture holds although there are other things than the price of wheat to worry business leaders. As summarized by Benjamin Baker, editor of the New York Annalist in the third quarter review number of that publication, "Despite numerous small indications of business improvement the outlook for the rest of the year and for the early part of 1933 is darkened by the fact that the fundamental weaknesses of our situation have not been remedied; and that the necessary measures, especially the laying of new taxation, will inevitably produce new embarrassments. Real budget balancing, the railroads, banking legislation, and especially the tariff problem," he says, "are likely to delay recovery."

Just for what it is worth and in order not to overlook other opinions, we quote the summary of a nationwide telegraphic questionnaire undertaken in the past two weeks by Lehman Brothers, of New York, among business leaders across the United States. Here's the summary:

"The most striking feature of the replies was the almost unanimously expressed opinion that the low point of the depression was passed in the summer of 1932. Approximately 95 per cent of those replying were of this conviction.

"Ample evidence was reported in all but a few industries of a definite improvement, and a return of confidence in a slow but sure upward climb during the winter and spring months.

"Conclusive evidence was also shown that American industries have benefitted by the depression by placing themselves on an efficient basis for future profitable operation by decreasing operating expenses and production costs. Inventories in general are reported as ranging from normal to very low."

Furniture Manufacturers See Improvement Since August

Orders and Shipments Best Since February — Prices Believed to be Firming — Upholstery Lines Benefit Most

Improvement in both orders and shipments in the furniture manufacturing industry in Canada is reported for August, according to representatives in the industry interviewed by The Financial Post. Business during August was the best since last February, it is reported. Opinion also points to a continuance of this improvement in September and October, especially in upholstery lines.

Like many other industries, furniture-making reached its peak in 1929 when sales, according to D. B. S. records, totalled over $44,000,000. The 1930 figure dropped to $36,000,000 and in 1931 on a dollars and cents basis, volume took another tumble of roughly 25 per cent. The record of 1932 to date has been even more disappointing with sales down another 35 per cent from the 1931 level. On the average, furniture plants in Canada are not operating at more than one-third of the 1929 level, at the present time it is said. Current shipments are about 36 per cent below a year ago as compared with 40 per cent below 1931, during the low ebb of summer.

Prices Hard to Estimate

Just how much of this decline in dollar volume is due to lower prices is difficult to estimate. According to the monthly index of wholesale furniture prices compiled by the Dominion Bureau of Statistics and including 11 items, prices have varied but little in the past six years and are now but 2 per cent below the 1926 and 1929 level. This does not seem reasonable in view of price quotations in retail stores and in view of the fact that the majority of manufacturers are selling their goods at prices which are probably at or below the actual cost of production.

One important feature of the industry's position at the present time is that very earnest efforts are being made to bring about some sort of "rationalization" whereby the majority of manufacturers would co-operate to operate their plants on a reduced level until such time as demand catches up more nearly with productive capacity. Mortality in the industry has been heavy especially in the past year and at least six prominent manufacturers have within the past few months been forced to the wall. Notable among these have been Malcolm and Hill and Jacques Furniture Co., of Kitchener; McGill Furniture Co. of Cornwall and the Canada Furniture Co. This has thrown a considerable volume of distress merchandise on the market but manufacturers are hopeful that this situation has now been cleaned up to a large extent and that a firming of prices can be reasonably looked for during the winter.

Another favorable factor is that one of the major weaknesses of the industry namely the carrying of too large stocks of merchandise, has been fairly well overcome and that there are now comparatively few factories with very excessive stocks of furniture on hand. Dealers' floors are also thought to be fairly well cleared so that any pick-up in demand will be reflected fairly directly to manufacturing plants.

Although furniture is largely a luxury trade the modern trend toward radio and bridge is thought to be having a salutary effect on the demand for the industry's products. Thus by reason of the popularity of these two forms of indoor entertainment the demand for living room furniture has increased and the living room has more than ever come into its own as the social centre of the community. The fact that business in the upholstery branch of the furniture industry has been the first to show improvement at the present time, would seem to support this theory. Undoubtedly as soon as any money is available in the average home for furniture, the living room will be one of the first rooms to feel the effect, for the modern housewife if she keeps up to the Jones at all will do so first of all in her living room where her friends come to play bridge and where the family congregates to listen to the radio.

Radio Mixed Blessing

Indirectly the tremendous expansion of the radio industry in recent years has been a source of new business to furniture firms although the making of radio cabinets has been for the most part a profitless job with competition very keen and prices very low. About its only virtue, particularly in the past twelve months has been that it has kept men employed who would otherwise have been idle.

The furniture industry of Canada is represented as far as the manufacturers are concerned, by some three hundred and sixty-six various establishments. A great many of these, however, are small ones. The larger concerns employing a number of men, would not greatly exceed one hundred. Capital invested in 1930 was approximately $41,000,000; employing about 12,000 men. The value of the products at the factory in 1930 was about $37,000,000.

Centres in Ontario and Quebec

The chief furniture manufacturing centres are Kitchener and Waterloo, Ontario, which district may be said to include Preston and Hespeler. Then there is Stratford, another big furniture centre, as is also Hanover, Owen Sound and Chesley, with factories at Southampton and Meaford. There are also several furniture factories at Kincardine, with other furniture factories in various parts of Ontario. In Quebec, there are two large factories at Victoriaville, and a large factory at Beauharnois, with a large chair factory at Waterloo, P.Q.

The chief furniture wood is still walnut, but there is a large quantity of birch being used, as well as elm, gumwood, oak and mahogany, also a big variety of veneers. Materials used in 1930 were valued at $14,000,000, and wages paid approximately $15,000,000.

There are approximately 1,300 retail furniture dealers in Canada, over 600 of them being in Ontario, and 260 in Quebec Province. Upholstered and living room furniture equals about 25 per cent of the quantity of furniture sold. Bedroom and dining furniture 25 per cent.

Radio Licenses Issued Make Better Showing

Radio licenses issued by the radio branch of the Department of Marine in the first six months of the current fiscal year ending Sept. 30, 1932 totalled 544,129, according to figures released from Ottawa this week. This figure compares with 598,358 licenses issued during the entire fiscal year ending Mar. 31, 1932.

By provinces, Quebec and Manitoba make the best showing, both areas reporting a larger number of licenses issued to date this year than in the full twelve-month period of 1931-32.

New Finance Deputy

W. C. CLARK

Brilliant Canadian economist and investment banker, whose appointment as deputy minister of finance at Ottawa is announced.

Lower Activity in U. S. A. Cuts Electric Power Exports

One of the important items in Canadian domestic exports is electrical energy. During the fiscal year 1930-1 the export was valued at $4,453,280, chiefly from Niagara Falls. In 1931-2 that export dropped to $2,710,410. During September the export was $357,000, compared with $487,000 a year ago.

Conditions in the central industrial area of the United States are the cause of this decreased export, of course. Buffalo is the largest purchaser. In that area in September the production of electric energy ran in one week as high as 11.2 per cent less than a year ago.

Foreign Exchange

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Oct. 18 ...	8 7-8	8	12 1-4	11 7-8
Oct. 19 ...	9	8 7-8	12 1-4	12
Oct. 20 ...	9	8 15-16	14	11 7-8
Oct. 21 ...	8 7-8	7 15-16	12	11 1-4
Oct. 22 ...	....	....	12	11 1-4
Oct. 24 ...	8 9-16	8 1-4	11 1-4	11 1-8

Sterling, Francs and Lire Close Demand in New York

	Sterling	Francs	Lire
Oct. 18 ...	3.41 5-8	3.92 7-16	5.11 1-4
Oct. 19 ...	3.38 7-8	3.93 15-16	5.11
Oct. 20 ...	3.39 5-8	3.92 1-2	5.11 1-4
Oct. 21 ...	3.39 5-8	3.93 7-16	5.11
Oct. 22 ...	3.39 3-8	3.93 15-16	5.11 1-2
Oct. 24 ...	3.31 1-4	3.93 1-4	5.12

Close Demand in Toronto

Par		Oct. 8	Oct. 17	Oct. 24
5.26	Italian	5.63¾	5.55	5.55¼
23.80	German ...	26.12	25.78	25.79
13.90	Belgian ...	15.28	15.07	15.07
49.80	Japanese ..	26.20	25.82	24.95

Commodity Prices

Current Prices at Wholesale‡ (N.Y. unless otherwise stated)

	Week ending Oct. 22	Previous week	Last year
Cattle (cwt.) .... (Toronto)	$5.00	$5.50	$6.35
Copper, lb.	.06¼	.06¼	.07
Cotton, lb.	.0625	.0650	.0690
Rubber, lb.	.0339	.0340	.0475
Silk, lb.	1.70	1.75	2.50
Sugar, raw, lb. ..	.0314	.0317	.0336
Wheat (Man.) bu.	.49⅝	.48⅛	.63¾
Hides, lb.	.07	.07	.07½
Coffee, lb.	.08¾	.08¾	.05¼
Weekly Indices*			
N. Y. Annalist ..	90.6	90.8	101.0
Fisher's	61.1	61.3	†72.6
N. Y. Journal of Comm.	58.5	58.7	64.9
Crumps (Brit.) ..	62.7	62.9	†64.9

*N. Y. Annalist base, 1913, others 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Last year
Canada (D.B.S.) w'sale (Sept.)	66.9	66.8	69.8
Retail (Aug.)	81.5	80.8	89.1
U. S. Labor (Aug.) ..	65.2	64.5	72.1
Gt. Brit. (Sept.)	68.9	67.2	67.0

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15. New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car loadings (Oct. 15)	46,774	58,889	1,723,890	2,003,197
C.P.R. gross earn. (Oct. 21)	$ 2,774,000	$ 3,173,000	$ 99,853,000	$ 116,839,000
C.N.R. gross earn. (Oct. 14)	$ 3,085,581	$ 3,059,687	$ 113,745,563	$ 138,824,377
Monthly				
C.P.R. net earn (Aug.)	$ 697,206	$ 1,152,721	$ 6,808,793	$ 9,692,312
C.N.R. net earn. (Aug.)	$ 209,175	$ 514,034	$ 3,371,283	$ 2,178,688
Iron and Steel—				
Pig iron, tons (Sept.)	5,709	17,585	96,219	380,322
Steel, tons (Sept.)	23,139	33,390	257,843	582,855
Automobiles prod. No. (Sept.)	2,342	2,646	53,550	77,495
" exports, No. (Sept.)	1,717	787	7,942	13,044
Construction—				
Building Permits (Sept.) ..	$ 2,203,230	$ 10,407,999	$ 32,340,749	$ 88,602,995
Contracts (August)	$ 12,688,500	$ 26,142,600	$ 99,989,800	$ 217,134,900
Newsprint—				
Production, tons (Sept.) ..	150,691	178,412	1,451,168	1,687,758
Exports, tons (Sept.)	119,277	161,170	1,337,263	1,504,222
Sugar—				
Imports, raw, lbs. (Aug.) ..	98,885,200	98,401,300	520,013,000	540,008,000
Melt. & ship., lbs.*	82,116,218	88,920,024	569,162,759	603,009,163
Manufactured, lbs..	81,916,973	89,406,199	550,000,815	578,124,071
Flour—				
Production, bbls. (Aug.) ..	1,272,009	1,333,287	8,406,423	9,301,068
Wheat flour exp., bbls (Sept.)	385,113	556,565	3,534,100	4,210,968
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Sept.)..	35.45	86.86	534.96	731.64
Boots & shoes, pr. (Aug.) ..	1,768,359	1,627,006	12,217,428	12,062,805
Petroleum, imp. crude, gal. (August)	89,776,589	106,065,392	644,965,555	668,538,344
Cotton, imp., raw, lbs. (August)	5,995,000	4,754,000	56,579,000	55,335,000
Rubber, raw, imp., lbs. (Aug.)	2,173,019	5,160,225	32,269,945	41,381,008
Coal, imports, tons (Aug.) ..	1,198,210	1,488,880	6,643,542	8,099,315
Gasoline sales, gals., (Apr.)	35,377,000	39,215,000	114,925,000	118,810,000
Trade—				
Imports (September)	$ 34,504,129	$ 45,379,099	$ 348,789,473	$ 494,965,007
Exports (September)	$ 42,186,815	$ 48,991,385	$ 348,729,930	$ 439,055,660
Wheat exports, bus. (Sept.)	26,874,237	14,335,637	132,990,365	126,192,271
Labor—				
Employment Index (Sept.)..	86.0	107.1	......	......
Electric Power—Output—				
M. Kilowatt hours (Aug.) ..	1,231,013	1,256,149	10,335,016	10,819,441
Finance—				
Failures, No. (August)	188	155	1,588	1,416
Failures, Liabilities (Aug.)	$ 2,825,097	$ 2,850,094	$ 27,023,887	$ 27,715,048
Bank debits† (Aug.)	$ 2,116,000	$ 2,243,000	$ 16,828,824	$ 21,068,548
Bond sales (Sept.)	$ 73,141,747	$ 50,982,400	$ 271,536,603	$ 386,855,250
Insurance sales (Sept.)	$ 25,207,000	$ 30,066,000	$ 306,579,000	$ 367,283,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,844,938	$ 16,191,101
New cars (August)	$ 1,022,043	$ 1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Aug. 20 to Sept. 10.
†(000's omitted).

SOME INDICES RECORD GAINS IN SEPTEMBER

Mining, Milling and Employment Show Improvement

By SYDNEY B. SMITH

Despite the improved showing of a considerable range of industries, the final version of The Financial Post index of business remained during September in a zone of comparative stabilization apparent since early summer. After three years of steady decline a line of resistance has now been established against further substantial retreat before depression influences.

The business index computed from 47 factors in a physcial volume basis was 79.2 in September compared with 80.5 in the preceding month.

32 Per Cent Below Normal

In other words business operations in September were more than 20 per cent below the average level of 1926 and about 32 per cent below the line of long-term trend determined by an examination of data from 1919 to June last. The low level of the present period holds out a promise for the future. Production is much below the level of normal demand and readjustment will necessarily lead to expansion.

The picture of business operations in September was not without its bright spots. Nine factors indicating the trend of mineral production unanimously showed gains in September over the preceding month, adjustment for seasonal tendencies being effected in each case. Production of coal was 914,467 tons in September compared with 720,478 in August, the gain being more than 20 per cent after seasonal adjustment. Imports of bauxite for the production of aluminium was four times the total in August, reflecting preparation to fill a large Russian order.

A significant feature of the month was the excellent showing made by employment. The principal employers of Canada increased their workng forces during September by more than 5,000 persons, a definite gain being indicated after seasonal adjustment.

Milling More Active

The milling industry in the last month for which statistics are available, was more active, the output of wheat flour and other principal products showing general gains. The production of refined sugar was also greater after seasonal adjustment. The meat packing industry after usual adjustment was less active while cheese and canned salmon exports showed decline.

An important development was the importation of 6,204,000 pounds of crude rubber compared with 2,173,000 in August despite the fact that tire production in recent months has been at a rather low point. The leather boot and shoe industry continues active, suggestive of the trend in industries producing for direct consumption.

Imports of raw material by the textile industry showed decline while the employment records of clothing factories indicate heightened activity. Raw cotton and wool were imported in lesser volume, cotton yarn showing a gain.

Exports of shingles showed a gain, while other indicators of the wood and paper group were less favorable.

The low level of the iron and steel, automobile and construction industries contributes to the indifferent showing of Canadian production indexes. Production of steel ingots was limited to 23,139 tons while the output of pig iron was 5,709 tons. Automobile production was 2,342 units compared with 4,057 in August.

Imports of crude petroleum were 76,900,000 gallons compared with 89,777,000 in the preceding month. The index of construction based on contracts awarded and building permits was 29.8 in September compared with 35.1 in August.

The gain in the output of electric power was less than normal for the season. Average daily output was 42,638,00 kw.h. compared with 39,710,000 in August. Carloadings at 215,654 showed marked gain over the 175,625 in August, the heavy movement of grain in the Prairie Provinces accounting in part for the gain. The trend of external trade was favorable.

The decline in bank debits after adjustment for price changes and seasonal tendencies was about 4 per cent.

Business Briefs

Failures under the Bankruptcy Act as disclosed by The Canada Gazette for the week ending October 15, 1932, show a decrease of 14, figures being 1932—28 and 1931—42. Figures for the whole period of the year up to October 15, 1932 are: 1932—1,717 and 1931—1,632 an increase of 85 or 5.2 per cent.

Raw Tobacco Exports—Canadian unmanufactured tobacco exported to Great Britain in the last six months amounted to 3,724,379 pounds valued at $1,022,714, compared with 1,469,072 at $448,419 in the corresponding period last year.

Car Loadings for the week ended October 15, totalled 46,774 cars, a drop of 5,185 from the previous week and 20 per cent less than for the same week in 1931. Grain, merchandise and miscellaneous freight loadings were all light, the peak of the grain movement having been reached one month ago.

Creamery Butter output in Saskatchewan for September totalled 1,555,825 lbs., a drop of 241,650 lbs. or 13.4 per cent from the corresponding figure of 1931. Practically the whole of this decrease is accounted for in the southern and northern sections as the central part shows a decrease of only 2.4 per cent, it is said

Automobile Financing Holds Up in September

Total number of cars financed in September was 5,027, in August 6,065 and in September last year 5,957. The amount involved was $1,900,831 in September, $2,184,691 in August and $2,613,934 in September last year.

New cars financed in September were 1,508 at $941,610, in August 1,709 at $1,023,127, in September last year 1,767 at $1,239,434.

Used cars financed in September were 3,519 at $959,221, in August 4,356 at $1,161,564, and in September last year 4,190 at $1,374,500.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Old Victorian Products, Ltd., of Glencoe, Ont., is planning erection of a new factory building in Glencoe. The firm manufactures waxes and polishes and other similar products and a wider market in Great Britain is expected as a result of the Ottawa Conference agreement. The plant will be a two-story structure with 7,200 ft. floor space.

Columbia Handle & Lumber Co. of London, Ont., has been purchased by W. H. Braddon, former manager of the works; P. R. Braddon, son of W. H. Braddon and Henry Pocock. An extension of operations under the management is expected.

Hamilton Sterling Electric Co. with head office in Hamilton has been incorporated under federal charter to carry on the business of manufacturing electrical apparatus in that city.

Niagara Searchlight Co. of Niagara Falls, N.Y., has announced that it will commence manufacture of its products in Canada at Niagara Falls, Ont. Max Eaton is president of the company.

Aberfoyle Manufacturing Corp., which is at present erecting a plant at Guelph for the manufacture of fine mercerized cotton yarns, announces that machinery is being installed and that the plant will be operating in a few weeks.

Fine Foods of Canada, Ltd., of Tecumseh, Ont. will commence manufacture in Canada of the Gerber line of strained vegetable products for infants and convalescents. Arrangements have been made between the Canadian concern and Freemont Corp., of Freemont, Mich., manufacturers of these products in the United States, whereby $75,000 and the Gerber trademarks and patent rights for Canada, Great Britain and the British Dominions will be given to the Canadian company in return for a minority interest in the capital stock of Fine Foods. John Wall, president and general manager of Fine Foods, will retain his 50 p.c. ownership of the voting capital stock of the company.

Harris Abattoir (Sask.) Ltd.—has completed extensive alterations and extensions to their Moose Jaw plant and have now converted it into a government inspected packing house. Daily capacity of the plant is now 600 hogs and 100 cattle per day.

Faith Manufacturing Co. of Canada has been organized as a subsidiary of a company by the same name in Chicago ,to commence manufacture of the company's products in Hamilton. Part of the Tallman Brass and Metal Co. assets have been acquired. The company makes a diversified line of automobile radiator caps and ornaments golf clubs, plumbing fixtures, and many other lines including plating of all kinds, and a general line of die castings. S. R. Scott who has been the company's Canadian representative at Toronto will be sales manager and A. F. Cardinas will be in charge of factory operations. The Canadian plant will handle the company's export sales.

BUILDING PERMITS AT VERY LOW EBB

September Figure Down 79 p.c. From 1931—Smaller Cities Gain

The value of the building permits issued by 61 cities during September stood at $2,203,230; this was a decrease of $1,128,048 or 33.9 p.c. as compared with the total of $3,331,278 in August, 1932, and of $8,204,769, or 78.8 p.c., in comparison with the aggregate of $10,407,999 recorded in September of last year.

Some 50 cities furnished detailed statistics for September, showing that they had issued 400 permits for dwellings estimated to cost approximately $1,000,000, and over 1,800 permits for other buildings valued at over $1,000,000. During August, authority was granted for the erection of about 300 dwellings and 2,000 other buildings, estimated to cost approximately $900,000 and $2,200,000 respectively.

Saskatchewan reported an increase in the estimated value of building as compared with August, 1932, but elsewhere there were declines, that of $689,796, or 60.2 p.c. in Quebec being greatest.

As compared with September, 1931, there were losses in all provinces. In this comparison also Quebec showed the largest loss of $4,039,086, or 89.9 p.c.

The larger cities, Montreal, Toronto, Winnipeg and Vancouver, registered lower totals of permits issued than in either the preceding month or the same month of last year. Of the other centres, Sydney, Westmount, Chatham, Fort William, Niagara Falls, St. Thomas, East Windsor, Brandon, Kamloops and Nanaimo showed increases as compared with both August, 1932, and September, 1931.

The index number of value of building permits issued for the first 9 months of the year as compiled by the Dom. Bureau of Statistics stands at 26.9 as compared with 73.7 in 1931 and 154.8 the high point of 1929. The previous low mark had been the figure for the first nine months of 1931. 1926 equals 100. Building costs on the same basis are now 77.3 as against 83.8 a year ago. Value of permits to date this year is $32,341,000 against $88,602,995 last year.

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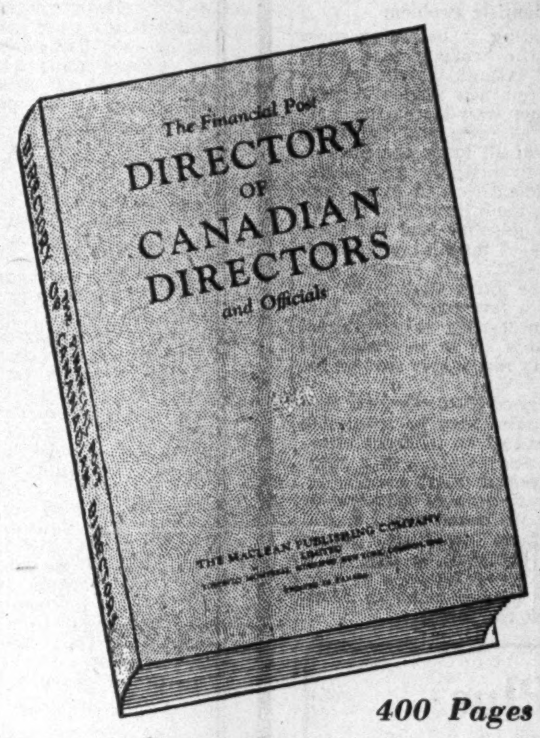

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THE FINANCIAL POST has now revised the DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS — a book containing about 6,000 names of Canadian directors and company officials. It is an invaluable reference and list for various types of businesses. This book gives leading men all the connections of other leaders whom they are meeting.

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THE FINANCIAL POST
DIRECTORY *of*
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1933

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New Books

GRIFFIN'S VOLUME IS REPORTING JOB ON RUSSIA TODAY

Author of "Soviet Scene" Refrains from Final Judgment

Clever newspaper reporter that he is, Frederick Griffin, of the staff of the "Toronto Star" has made no attempt at an economic interpretation of Russian developments in "Soviet Scene" just published by Macmillan Company of Canada, Toronto.

Most visitors to Russia have made the mistake of assuming that they must pronounce a final judgment upon Communism or disappoint those to whom they write or speak. Mr. Griffin, whatever his views and however strongly he may express them elsewhere, has evaded the seductive lure of philosophical exposition and has given us one of the most interesting books yet written on Russia because it is a series of graphically true pictures of what a keen observer saw. The sketches were in nearly every case written on the spot in Russia, where Mr. Griffin travelled for two months during the past summer. It is flooded with human interest; what the people wear, what they do, how they live and act under Communism, all written sympathetically but otherwise objectively.

"Flashes of daily life" Mr. Griffin calls his 28 chapters; it is a valid description of what he has given the reader. One does not know, after finishing "Soviet Scene" what is likely to emerge from the new Russia but one does know something of the actualities of the present era. The essential bondage of the new Russian, his immobility and complete lack of personal freedom and individual choice as we know them are not stressed by Mr. Griffin. Rather he would consider these unpleasantries of the dictatorship as survivals from the earlier era of Czarism. Mr. Griffin found the Russians a "delightful people" despite the squalor of their lot, which the dictators promise to improve in the new industrial state. He has sensed something of their enthusiasm and infused much of it in his writings. But he does refrain from final judgment and this gives the volume an unique validity as a close up picture of daily life under the Soviets.

"Soviet Scene" is published at $2.

CRISIS PROVIDES ITS OWN REMEDY ECONOMIST AVERS

But Stable Monetary Policy Necessary to Change

As the World Economic Conference, to be held in London in January approaches, economists are sharpening their quills to write out their suggestions for re-shaping the business world. One British economist who is not without hope of conscious control of recovery is Hubert Blake. In "World Disorder and Reconstruction" he declares his belief that the situation created by the great slump—and he paints a picture both of the slump and the present situation—provides a better basis for true recovery than existed prior to the monetary phases of the crisis.

The author views "the undoubted persistence of war-time dislocation as a pre-disposing condition to the present slump rather than as a cause." The predominant causes of the crash he regards as relative overproduction of important commodities; failure to observe conditions essential to working of gold standard; war debts and reparations; and the Wall Street crash. He does not consider that the world slump can be adequately explained when related to the fall in commodity prices.

Whatever the causes of the present situation, Mr. Blake finds in it an opportunity for recovery, impossible a year ago. There have been more gains than losses for British trade in the departure from gold. Sterling exchange will prove its underlying strength.

As for constructive steps to recovery, the root of the matter is to make it profitable to invest in productive equipment the huge volume of short-term funds now sterilized. Required is a reduction in bank rates, followed by a reduction in rates for long term loans. Creditor countries must resume lending to permit international trade to flow again and bring about the rise in prices that will induce investment in new productive equipment. A general devaluation of gold currencies would help. The plan is dependent upon international agreement.

Mr. Blake winds up by saying, "The final conclusion may legitimately be drawn that a great increase in the material welfare of all classes of society is a practical possibility of the present era, but is dependent upon success in the sphere of monetary reform and further progress in the orderly development of large-scale industrial organization."

This handy and readable volume is published by Thomas Nelson & Sons, Toronto, at $1.75.

Cause and Control of the Business Cycle

The business cycle continues to function inexorably with such widespread effect that new studies and new ideas on the subject are always in order. The latest analysis of the business cycle comes from E. C. Harwood, M.C.E., M.B.A., a member of the faculty of Massachusetts Institute of Technology, "Cause and Control of the Business Cycle" is a scientific analysis of the business cycle reduced to a language that the average reader of the financial pages of a daily newspaper can understand. Pedantic jargon has been practically eliminated.

The preface frankly states that the book contains the explanation of the business cycle. Factual proof is presented to show the explanation is sound. Harwood concludes that periods of boom prosperity are made possible by excessive credit added to current purchasing power or, in other words, that bank credit for current consumption needs is supplied not only on the basis of self-liquidating short paper but supported by assets of the investment type. An index of inflation has been formulated which is designed to measure the degree of inflation existing at any time.

"Cause and Control of the Business Cycle" is published by Financial Publishing Co., Boston, and sells for $2.50.

Moderns Flaunt Fire But Ancients Feared It

Strange Customs of Yesteryear Are No More Amazing Than Modern-Day Carelessness

Prepared by Joint Committee on Prevention and Control of Farm Fires

To primitive man the presence of fire excited feelings of reverence and awe—it burned, and it consumed. Among the ancients, fire was thought to be the best agent by which they could become allied to the spiritual world, the contact that would ensure purification of the soul, and the driving away of demons and hob-goblins, besides providing light for their journeys and heat whereby to cook their food.

The wise men among the Indians used to lay themselves quietly on a stack of wood as a sacrifice by fire, and it was common for the wives to try to be burned with the corpses of their husbands, illustrating the tyrannical effect of the reign of custom. Generations of the future will look upon our careless and wasteful habits with just as much horror as we now view these customs of by-gone days.

Myths Closely Akin

Ages ago, when the world was young, people did not know as much about Nature's secrets as they do now. They did not have the art of writing, or, if known to them, it was only by a few, and its value for handing down the facts of history was not clearly understood. Hence some of the causes of the growth of myths and legends.

How closely akin are the chief myths of the world may be seen from the stories that were made up very early about fire, its uses and dangers. It is this idea which is the core of the stories about Agni, the god of fire in India; and Vesta, the goddess of the common hearth at Rome; about Vulcan, the Roman god of ironsmiths and of the Titans, who were stricken by lightning. The difference between the classic Greek and the lowly Indian is the refinement of progress. Prometheus stole fire from heaven, and "lo," the poor Indian stole it from an old woman.

Fire was the property of a particular class and could not be sequestered by gift, but could be loaned. It was a violation of primitive morals both to ask for the gift of a portion, or to give a portion.

There is much data to show that this custom goes back to the time when the house fire was regarded as sacred and the life and well-being of the family were involved in its care and worship.

Borrowing Meant Formality

The formality of borrowing fire was a cautious negotiation and the theft of fire punishable with death, probably in primitive law extending to the offending family, so that there were good reasons for using the word "borrowing" in respect to fire.

Tierra del Fuego—land of fire—was given its name by Magellan from the volcanic conditions and general custom observed among the natives of carrying fire on a layer of clay on the floor of the canoes and its careful and continuous propagation in their caves or huts.

One of the early uses of fire was in signalling. There were day signals by smoke, and night signals by bright fire. Incidentally, the odor of smoke became a signal or warning of the presence of man. The Tasmanians were very skilful in smoke signalling. While smoke and fire signals were generally used by American Indians, some tribes developed an elaborate code by interrupting the smoke column or obscuring the fire at intervals at night.

A Sanitary Agent

In the ancient practice of medicine the application of heat for healing was common and widespread. Most of the practices were mixed with superstition, in which no doubt the ancient veneration of the mystery of fire had a prominent part. Fire and smoke were employed as sanitary agents.

Fire as a war agency has an extended history. Its ancient crudity has given place to modern scientific methods for the killing of men. The North American Indians shot fire arrows and also hurled a weapon which consisted of a heavy wooden missile with bulbous head bound with a flammable material and flexible shaft capable of being thrown a long distance. The weapon was more effective than the arrow and more primitive.

Natural ignition may be divided into volcanic, frictional, chemical and electrical.

Spontaneous ignition is the igniting of material by the internal development of heat within the material itself. For example, masses of hay under certain conditions may heat to a temperature at which the hay will burn. Oily waste or rags used in polishing furniture or cleaning machinery, if left in a pile somewhere, are liable to cause a fire from spontaneous ignition, due to the rapid oxidation of oil, which raises the temperature sufficiently to make it burst into flame. An oily mop has been known to ignite spontaneously within an hour.

Lightning is thought to have furnished one of the sources from which ancient men derived fire. Since the establishment of forest reserves it has been found that lightning is a source of great damage to the timbered areas.

Fire is Chemical Reaction

Fire is a chemical reaction between the elements, oxygen and any other material that is combustible. Oxygen is a gas which has neither color nor taste, and is present in the air to the extent of 21 per cent. Although incombustible in itself, oxygen is the chief supporter of combustion, or, in other words, it causes other things to burn when they reach a kindling temperature. Conversely, in order to quench a fire oxygen must be excluded, or the material cooled down below its burning point—or both.

In the case of nearly all materials with the outstanding exception of pyroxylin plastic (nitrocellulose motion picture film, pyroxylin, lacquer, celluloid, and the various trade names under which pyroxylin is sold), the oxygen necessary to support combustion is obtained from the air. If the supply of air is cut off by blowing "foam" on the surface of burning oil, or blanketing the burning material through the gas generated from a chemical fire extinguisher (using carbon tetrachloride as the extinguishing fluid), the fire will be quickly extinguished, especially if the fire is in a confined place. If a fire has gained considerable headway and generated a large amount of heat, the temperature will have to be reduced below the ignition point by drowning out the fire with water.

Charcoal Ignites Easily

Charred wood ignites more easily than uncharred—thus charcoal ignites at 589 deg. Fahr. and certain wood at 800 deg. Fahr. Clay heated to 750 deg. Fahr has driven out of it the water of combination and becomes incapable of softening by water. This knowledge was made use of by the earliest users of fire. Lava was a practical demonstration of the solvent power of fire within the experiences of some of the groups of primitive man. All fires are small at the start, and it is by quick action that well-equipped city fire departments are able to quench upward of 75 per cent of the number of fires with chemical extinguishers and thus keep the losses from fire, as well as water damage, down to a minimum.

Scientific Problem

Fire fighting is becoming more of a scientific problem each year. Methods of extinguishment are being made from new angles to meet the new and ever-increasing hazards—just as farm and industrial operations of all kinds are advancing and their methods are becoming more scientific and more sanitary. With the introduction of electricity and gasoline and the more general use of machinery, tractors and automobiles, fire hazards now exist on the farm that were not thought of a few years ago. It is therefore necessary to counteract these hazards so as to make life and property reasonably safe on the farmstead.

Like many of Nature's gifts that are abuses, fire may be a terrible curse instead of an inherent blessing. Fire, uncontrolled, is a ruthless destroyer of man's handiwork. It is no respector of persons or things. In its fierce greed it will burn up farm dwellings, barns, crops and livestock, a city or a town, or destroy millions of feet of valuable lumber when its fiery fangs attack the forest.

Paternalism Plus

Saint John Telegraph-Journal

Governments are never at a loss to find ways of spending the people's money. Aided and abetted by demagogues and faddists, however, they have reached the stage where level-headed citizens have become alarmed and a chorus of "Halt" is being shouted throughout the country.

A situation has developed whereby governments are looked upon by many as the saviors of every misdirected private endeavor, and the citizenry as a whole is called upon to bear the cost of somebody's ill-conceived enthusiasm.

Individual initiative, the quality which branded our ancestors as real pioneers, has been overclouded by a rising wave of paternalism which has tended to break down the spirit of enterprise and independence which was the heritage left by our forefathers.

But a change in sentiment is taking place. All across the country a wave of opposition to the socialistic tendencies of our governing bodies is rising.

On this page is an editorial from The Financial Post which outlines the changed sentiment in some quarters.

Continually rising taxes has brought the matter to a head. No country can prosper while its business and industry are forced to bear taxation burdens which grow heavier with each succeeding year. There is a limit to which these loads can be piled up, and the limit was reached some time ago.

The season has arrived when the chief duty of governments is to see in what manner the persistent drain on the business of the nation can be lessened, and in any such effort they must have the support of every citizen. Only in this way will the economic progress of our country be permitted to keep pace with the returning world prosperity now in evidence.

Small Fruit Crops Yield Well This Year

All varieties of peaches yielded well this year, says the Dominion Bureau of Statistics. Considerable loss was sustained through ground rot developing in practically all varieties, whether sprayed with a preventive or not.

Bartlett and Duchess varieties of pears are yielding an excellent crop with good size and quality. Anjous are very good. Kieffers are below normal in yield, but of good quality. Other varieties are practically normal.

The plum crop is estimated at 10 per cent less than last year's yield. Damsons and Shropshires are the heaviest yielding varieties this year.

Three to five year old plantings of grapes are very heavy with a large new acreage coming into bearing. Older plantings are below average. Considerable damage has resulted from Leaf Hopper, as well as some damage from hail in the central area of Lincoln County.

RETAIL BUSINESS OVER $10,000,000 IN SHERBROOKE

Business Done by 366 Retail Stores in 1930

Retail business in Sherbrooke, Que., in 1930 reached a volume of more than $10 millions, transacted by 366 retail stores and 162 service establishments, according to preliminary statistics released recently by the Dominion Bureau of Statistics. Total sales of retail stores were $9,545,100 and gross receipts of service establishments amounted to $771,900.

The greatest number of stores and value of sales were reported for the food group, in which 151 establishments had sales of $2,570,000, or almost 27 per cent of the total sales of retail stores. These stores employed 259 persons and paid them $212,200 for the year. In addition to the sales made by these food stores, the bakeries and dairies which report to the census of industry had retail sales of $347,869 in 1930.

There were 1,138 employees of retail stores in 1930 who received $1,140,600 in salaries and wages. The general merchandise group employed the most persons, 302, and paid the largest amount, $278,300, in salaries and wages. The food group employed 259 persons who were paid $2,275,800 and the automotive group had 129 employees and paid salaries and wages of $1,586,500.

Single store independents did 77.3 per cent of the business in 1930 with a total of $7,375,500 while sectional and national chains were only responsible for $1,071,900, or 11.2 per cent of the total sales. In the grocery field, which is the one in which chain organizations have the strongest hold, independents did 53.5 per cent of the total business of $1,906,300, while chain stores were responsible for 22.14 per cent.

Service establishment receipts of $771,900 are made up of amusements $175,700, domestic service $155,100, repair $151,000, personal service $128,400, photography $25,000, transportation and cartage $17,700, and all others $119,000. The greatest number of stores is in the personal services group which has a total of 66. Repair stores number 45 and domestic service 17.

Employees in service establishments numbered 241 in 1930, and salaries and wages $205,900. Domestic service had the largest number of employees with 80 and they received $74,800. Amusements were next with 51 employees and a payroll of $32,900, followed by repair with 44 employees and $35,300 in wages.

Principal statistics of the retail merchandising group are:

Summary of Principal Retail Merchandising Groups in Sherbrooke

	Stores	Sales† $	Stocks $
Automotive	30	1,586,500	160,600
Food	151	2,569,100	237,200
Gen. merchandise	33	2,275,800	658,100
Apparel	44	1,021,200	344,900
Lumber	16	641,500	164,700
Furniture	5	68,100	29,800
Restaurant	18	250,100	3,600
All other stores	69	1,132,800	300,600
Total	366	‡9,545,100	1,899,500

†Included in these figures is $62,200 which represents service receipts of merchandising establishments.

‡To these sales may be added $312,800 retail sales of wholesalers.

Food, Tobacco Wholesalers Lead in Toronto

There were 937 wholesale houses in Toronto in 1930 with sales amounting to $226,118,500, employing 10,373 persons who were paid $16,941,800 in salaries and wages. Stocks on hand at the end of the year amounted to $33,283,100.

Food and tobacco products was the chief group in 1930, the 197 establishments engaged in this business having sales of $67,635,500, or a little less than 30 per cent of the total. Next in importance was the dry goods and apparel group with 164 establishments, doing a business of $30,406,200.

In the Mail

Credit in Canada

Editor, The Financial Post:

The basis of credit in this country is represented largely by the deposits of the people in the banks, of the people in the hands of trust companies, and money which policy-holders have paid into life insurance companies. It is suggested that these funds be loaned indiscriminately and without due regard to the "Trust" feature of the funds to "correct certain weaknesses" in the present credit system. An editorial writer of a Canadian newspaper says: "Will the bankers of Canada lead the way to correct certain weaknesses in the present credit system of the country?" "Circulate this money" is the remedy offered for restoring prosperity and making everybody happy, the inference being that it is the duty of the government or the banks to attend to the distributing, with cheerful disregard to who owns the money or what would be the consequences of any such attempt to scatter it without the consent of the owners.

These savings deposits do not belong to the government, nor to the banks, nor to the "public." They belong to thousands of individual citizens who earned the money, saved it by doing without things they wanted, and stored it away against a day of adversity. They and they alone have the right and the power to put it into circulation. Let it be suggested seriously that if money in savings accounts is not safe, that if mortgage loans are not to be repaid in full, that if insurance investments are in any way undermined, that if in other ways the people who save, create capital, and make our whole economic system possible—if they are to reap no benefit, if their assets are to be taken from them for the benefit of those who did not save, then the outlook for democratic civilization as we have known it is bleak indeed.

When they talk about the great banks strangling the life out of industry and society they don't know what they are talking about. Our banks are just about the only financial props we have to be thankful for these days. Underlying all these proposals is the spirit of confiscation.

Those who today find themselves in difficulty are those who, during the boom period, borrowed, speculated, and spent freely. They now propose that their losses should be recouped by those who went on the even tenor of their way saving their money for the inevitable "rainy day" which has now arrived. Many of these people, during the period of inflation when interest rates were low, suffered hardships because of the very conditions that made others prosperous.

"Nationalization of Credit" sounds well, but no one seems to know exactly what it means. If the intention is that some government department is to decide when and upon what terms loans shall be made, the first question will be who is to provide the funds? The suggestion made for the nationalization of credit and a managed currency does seem strange in this age and day for anyone who is familiar with financial history to advocate the issue of what would practically be an irredeemable paper currency.

No one denies the seriousness of conditions everywhere at the present time, the only difference of opinion in regard to it is in the means by which the difficulties are to be overcome. Slamming our banks and banking system will get us nowhere. Our banks are about the only safety valve the country possesses at the present time.

In conclusion, I would like to quote a statement made by one of Canada's foremost bankers: "Their schemes just won't work, and when they talk about the great banks strangling the life out of industry and society they don't know what they are talking about. Our banks are just about the only financial props we have to be thankful for these days."

It might be just as well to remind some of our editorial writers, and public men, that bankers do not enter into public discussion over the merits or demerits of the system under which our banks function, but the information is always available to those who care to seek the same and the banks are always open every day—all of them.

EDWARD E. BREWER.
Edmonton, Alta.

Quebec Greets Many Travellers

Approximately 35,000 passengers have arrived in Quebec aboard 85 ocean liners since the opening of navigation last April. Five thousand of these were United States citizens.

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On Monday, October 31, Canadians will have an opportunity to invest in a new issue of $80,000,000 Dominion of Canada Bonds. By buying these Bonds you will accomplish two things:

1. You will obtain the soundest investment available to Canadians, secured by the resources and integrity of the Dominion.
2. You will assist in further strengthening Canada's financial position, with favourable effect upon general business.

NOTWITHSTANDING the trying conditions which have prevailed during the past three years, Canada has established an enviable record of financing. For example, among other accomplishments, the Dominion has refinanced—before maturity and at a reduced interest rate—$640,000,000 of its public obligations, due in 1931, 1932, 1933 and 1934.

The new Dominion of Canada Bonds, which will bear 4% coupons, will be offered at a sufficient discount to provide an income yield in line with current interest rates. Within the last few months Great Britain and other countries have arranged important financial operations. In each case, these have met with marked success, investors having quickly recognized the trend toward lower interest rates.

The success of the new Canadian loan is important. It will further demonstrate the confidence of Canadians in their own country and this confidence will be reflected in the money markets of the world.

For national advantage—and for your individual benefit—plan now to buy Dominion of Canada 4% Bonds, 1932, when they are offered next Monday

This preliminary advertisement is published by THE DEPARTMENT OF FINANCE to enable Canadian investors to make arrangements to participate in this offering.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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LEATHER MARKET OPENING IN EAST FOR CANADA FIRMS

Special Report by Canadian Legation Stresses Possibilities

STRESS SPECIAL LINES

Non-Competitive Products Provide Largest Opportunity

Canadian tanners and leather manufacturers should consider seriously the opportunities now offered to merchandise their goods in the far east, particularly if they wish to ensure an extended market in years to come, according to a special report on "The Far East Market for Canadian Leather" prepared by the Canadian Legation at Tokyo.

In 1931, it was pointed out that importations of unmanufactured leather to this territory totalled approximately $6,000,000 while manufactured leather imports amounted to $600,000. Total domestic production — mostly that of Japan — with the territory itself amounted to approximately $30,300,000. The largest part of the market is at present in the hands of the United States, Australia, Great Britain; and in the case of China, Japan. Results on any considerable scale cannot be expected for Canadian manufacturers immediately but it is felt that in times of depression dealers are prepared to "quarrel with easy acceptance of the past." Such opportunities, says the report, "if immediately taken advantage of, should bear their proper reward—not in one year or two years, but only after a hard won battle with established interests.

Four Adverse Factors

As far as China is concerned, four adverse factors have appeared simultaneously with the interest already shown in the market by certain Canadian producers. These are: The decline in the value of silver, the increased development of the domestic industry, the discount on Australian funds, and the raising of tariffs. In addition, there has been the organized competition of those already in the field. To overcome these handicaps, Canadians are urged to sell direct to a China firm. Most Canadian leather at present coming into the market has been sold through export houses in New York and San Francisco. This is considered too indirect to establish Canadian brands on the market. Furthermore, an added commission is serious in China's price market. and the indirect contact weakens selling aggressiveness, the report states.

It is also urged that the best way for Canadian tanners to enter the market would be for several engaged in non-competitive lines such as sole, upper, patent, belting, etc., leathers to unite in maintaining there own experts in China. Without some type of organization the mere obtaining of an agency will hardly give Canadian tanners sufficient leverage on this exceedingly competitive market, it is said.

Prospects Bright

Summarizing its findings the report says:

"With a present market of at least $6,000,000, yet there are even brighter prospects for the future, not perhaps in the cheaper lines, which will more and more come to be made in the domestic field, but in the more expensive and the technically more difficult leathers to produce. The market is a highly competitive one, and it demands, if not the continual presence of a factory expert, at least periodical visits from an expert executive.

"For this purpose it is suggested that if producers wish to enter the market, an excellent way to do so would be for the manufacturers of allied but non-competitive lines to join forces and establish a co-operative agency. The centres where agencies would be found of most value are: Shanghai, the largest importing centre; Hong Kong, for the south of China; Tientsin for the north of China; Dairen for Manchuria; and a Japanese agency to cover the whole of the Japanese territory.

"The Canadian Trade Commissioners, of course, at any of these points, are in a position to find the most reliable and aggressive agents in the territory, and while it would be valuable to have a preliminary tour of the territory by tanning executives so that preliminary contacts might be made with, and judgments passed on, projected agents, yet the whole of the Canadian Trade organization in the Far East feels justified in saying that in each one of the territories under review, they could on their own initiative, establish the required contacts."

Trade With Australia Improves Since Treaty

Benefits of the trade agreement entered into with Australia are made apparent by a comparison between the Canadian exports to that country this year and last year. During the first five months of the present fiscal year the value was $2,933,385 and in the same period a year ago $1,745,361, an increase of $1,188,024.

Some of the item increases are as follows: Cotton fabrics from 82 yards at $184 in 1931 to 553,646 yards at $197,900 in 1932, an increase of $197,716; logs from 621 M feet at $7,634 to 2,779 at $27,420, increase $19,786; planks and boards from 16,209 M feet at $232,456 to 36,239 at $447,203, increase $214,747; square timber 175 M feet at $3,302 to 17,719 at $211,183, increase $207,881; paper, etc., $794,195 to $966,221, increase $172,026.

Iron pipe and tubing gained from $11,921 to $24,335, increase $12,414; machinery n.o.p. $22,658 to $24,675, increase $2,017; tools n.o.p. $149 to $64,111, increase $63,962; passenger autos nil to 893 at $242,365; auto parts $25,316 to $53,130, increase $27,814; clocks, watches and parts nil to $47,440; electrical apparatus $10,059 to $15,644, increase $5,605; coal 6,247 tons at $51,849 to 8,348 tons at $60,476, increase $8,627.

There were some decreases in leading Canadian commodities. The export to Australia of canned fish, chiefly salmon, dropped from 24,328 cwt. at $274,023 to 23,537 cwt. at $209,437, decrease $64,586; farm implements and machinery $51,531 to $20,225, decrease $31,306; hardware and cutlery $15,142 to $14,418, decrease $724.

Bowman's Last Message Was Tribute to West

The last public message of Charles M. Bowman, chairman of the Mutual Life Assurance Co. of Canada, was a message of hope and inspiration to the Canadian public, and a tribute to the courage of the Western farmer, to whom he devoted his life. Mr. Bowman, whose death occurred this week, was a close reader of The Financial Post and frequently communicated his views and advice on public and business questions, particularly on those relating to Western agriculture, to the editors.

C. M. BOWMAN

Writing only five days before his death to congratulate The Financial Post upon its twenty-five years of service to Canada he said:

"Permit me to congratulate The Financial Post upon its success during the past twenty-five years which certainly speaks volumes for the enterprise and ability of the management and editorial staff.

"While Canada, along with the rest of the world, has suffered very seriously because of the world-wide unbalanced economic situation of recent years, the courageous manner in which Canadian citizenship—particularly in Western Canada—is facing the present situation augurs well for the future.

"Owing to the important part which agriculture plays in Canada, it is becoming generally recognized that the foundation for substantial improvement in economic conditions in Canada will be well laid when our farmers secure a more satisfactory return for their products than that prevailing at the present time."

U. S. Reserve System Unsuited to Canada

But Central Bank Experience in United States Contains Much of Value to Banking Policy in This Country

By A. F. W. PLUMPTRE
(Lecturer in Money, Credit and Prices, University of Toronto)

The federal reserve system of the United States is no model upon which a Canadian central bank might be formed. It should be clear that Canadian economic conditions are not very similar to those of the United States. It should be even more clear that the Canadian banking structure bears practically no resemblance to the banking structure which existed in the United States before the foundation of the Reserve System in 1914 or to that which exists today.

Nevertheless, both those who advocate and those who oppose the foundation of a central bank in this country are curiously prone to talk in terms of the federal reserve system—in terms of its structure and its methods, in terms of its successes and its failures. It is probable that if the advocates of a Canadian central bank succeeded in getting a bank which resembled the federal reserve system in constitution and powers they would be profoundly dissatisfied and disillusioned by the results. Let us examine the federal reserve system

Founded in Time of Crisis

The federal reserve system was founded in order to mobilize and, in times of crisis, to liquify and distribute the reserves of the thousands of unit banks, large and small, in the United States. Another of its objects was to provide an "elastic currency." The national bank note issue of the United States, prior to the establishment of the federal reserve system in 1914, was based upon government bonds. It was thus more or less fixed in amount, and totally unresponsive to the changing needs for currency from season to season, from year to year, and in times of a panic such as occurred in 1907. It was largely in order that these faults should be rectified that wide privileges of commercial bank rediscounting, that is of borrowing from the 12 district central banks, were included in the Federal Reserve Act. And, for their own safety, the commercial banks which became members of the system were legally required to keep certain minimum reserves on deposit in the federal reserve banks against the deposits which they received from the public.

It is quite evident that no central bank is required in Canada to fulfill the chief functions for which the federal reserve system was originally founded. The Canadian chartered banks are few in number, although they have numerous branches. Their reserves are centralized and liquid, so that an emergency can be met quickly in any branch in any part of the country. There is a special subsection of the Bank Act which allows them to expand their note issue if necessary at the harvest and crop-moving period. They appear to be conservative in their policies and strong in their liquid assets. They can increase this strength at any time by borrowing Dominion Notes from the government under the Finance Act.

Evils Non-existent Here

It appears, therefore, that the original evils which the federal reserve system set out to remedy are not evils which exist in Canada. It is no less true to say that, in general, the major problems, with which that system has from time to time been faced are not problems which are likely to arise in anything like the same form in Canada. For instance, the first big job which the reserve system undertook was the flotation of the government's issues of war bonds. Then, during the last 15 years, it has been faced with inflows and outflows of gold of most disturbing proportions. Under the leadership of Governor Strong of the Federal Reserve Bank of New York, the system assisted Europe to regain financial stability on the gold standard after the war. The successes that were achieved in this endeavor were among the causes of the boom in foreign bonds of 1925 to 1928. Vast sums of money flowed from New York.

Then came the stock market boom, and foreign money flowed back to New York. Later came the stock market collapse and the withdrawal of this money. Then the European financial panics of 1931 sent money hurrying for safety to New York. Just as suddenly, after England ceased to pay out gold, the money was withdrawn from New York in two great waves of continental mistrust, each of which carried with them some five hundred million dollars in gold. And at much the same time the federal reserve system lost a billion dollars of notes to American citizens who decided that their only safety from bank failures and falling security prices lay in hoarding currency.

Thus we see that, during the 18 years of its existence, the federal reserve system has faced immense problems. But it is clear that these are not the type of problem which a Canadian central bank would be likely to meet.

Some Experiences Relevant

Some federal reserve experience, however, is relevant to the proposals of a Canadian bank. For instance, partly because of its position as a publicly erected institution in a country with a great desire for "publicity," the federal reserve system has been harassed by continual complaints. Farmers have asked it why the prices of their products have fallen? Congressmen have sought to place upon it the legal responsibility (forsooth!) of "stabilizing prices," whatever they may mean by that phrase. Hundred-per-centers have asked why it pays so much attention to Europe? Europeans have asked why it has not co-operated more fully and why it has "sterilized" gold? And almost everyone has asked why it did not prevent the American public going mad in 1929?

To this type of question the system has been forced to reply, not only in its press releases, but before governmental investigations by representatives and senators who did not always appear to be very learned upon matters of High Finance.

In retrospect the Federal Reserve Board would probably admit, at least in private, that it had made mistakes. But there can be little doubt that "publicity" has sometimes hampered the system in its efforts to use sound methods in the pursuit of the objects that seemed wise. This situation is in interesting contrast to that which exists in England. Speaking before the "Macmillan Committee, Sir Ernest Harvey on behalf of the Bank of England said: "I am afraid . . . we do not admit there is need for defence: to defend ourselves is somewhat akin to a lady starting to defend her virtue."

Publicity vs. Efficiency

For Canadians who propose the institution of a central bank it is of importance that they should realize the inevitable choice between, on the one hand, the full publicity which pure democracy would undoubtedly require of its central monetary institution and, on the other hand, efficiency in the public interest. The real problem is to get the right men into the job; and then leave them to do it. Unfortunately, that is easier said than done; but it is undoubtedly the ideal at which to aim.

The problem that then arises is, where should the right men be sought? The Federal Reserve Act provides that, on the board of each of the 12 district federal reserve banks, there should be three representatives of the commercial banks of the district, three men actively engaged in commerce, agriculture or another industry and three members appointed by the Federal Reserve Board. The presidential appointees to the central Federal Reserve Board itself are also supposed to be, in general, representatives of the various economic interests and geographical divisions of the country. The object of these measures was clearly that these public institutions should not be run solely by financiers in the interests of financiers.

Unsound in Principle

But the scheme was probably not entirely successful in practice because it was not entirely sound in principle. Giving evidence to the Macmillan Committee, Sir Ernest Harvey, of the Bank of England, said: "In connection with central banks it has been laid down in one or two instances that the board shall consist of so many representatives of, say agriculture, so many of finance, so many of industry, so many of commerce and I have been told that, in some of those cases, the experience which they have had is that it is—as it was put to me once—a vicious principle." Sir Ernest explained that the principle was vicious because the members of a board so appointed felt themselves interested in and primarily responsible for the welfare of that particular section of the community which they "represented." It was greatly preferable that each member of the board should approach each problem of the central bank in a detached and impartial manner.

Therefore, while it would be desirable that the board of a Canadian central bank should contain men with intimate knowledge of agricultural, industrial, commercial and financial problems; nevertheless it would seem to be undesirable to appoint men who were understood to "represent" these various "interests."

Functions Different

It should also be made quite clear that the functions of a central bank differ from those of a commercial bank. Thus a successful commercial banker does not necessarily understand the principles and methods of central banking. These principles and methods can only be evolved, in the case of a newly founded central bank, over a period of years.

Governor Strong, one of the most outstanding figures in federal reserve history, said in 1915, a year after the establishment of the federal reserve system: "Experienced men must be developed in the school of experience as promptly as possible."

Two further points must be mentioned before leaving the discussion of the federal reserve system. The first is that the United States only achieved "an elastic currency" at a price. There are times when credit should be stretched and expanded: and times when it should not. It rests with the multitude of member banks to stretch the credit of the United States by borrowing from the federal reserve banks when for any reason they are short of reserves. Federal reserve credit was expanded in this manner in 1928-1929 to support an unhealthy boom. It was also expanded in 1931-1932 to finance the withdrawal of notes by a panicky public which, but for this "elasticity" of the currency supply, might easily have caused a complete financial collapse in the United States. The implication is that a Canadian central bank might be allowed to discriminate between the times at which it would and at which it would not lend to its banker customers.

Secondly, and perhaps most important of all, American experience suggests that if the general public has bad, or unstable financial habits, if the public changes its mind continuously and violently as to the relative desirability of keeping its savings in the form of stocks, or bonds, or foreign securities, or bank deposits, or hoarded currency, then the monetary conditions of the country are beyond the control of even the wisest and most powerful central bank yet devised by man's ingenuity and experience. No central bank can prevent the public cutting its own throat if the public is sufficiently determined to do so.

Editor's Note.—This is the fourth article in a series, "Does Canada Need a Central Bank?" Further articles by Mr. Plumptre will follow in succeeding weeks.

EXECUTIVE ACTION USED BY OTTAWA AGAINST BRITAIN

Tariff on Cellulose is First Event of Its Kind Since Parley

From Our Own Correspondent

OTTAWA — By order-in-council announced this week, the Federal government has increased the tariff upon imports of regenerated cellulose.

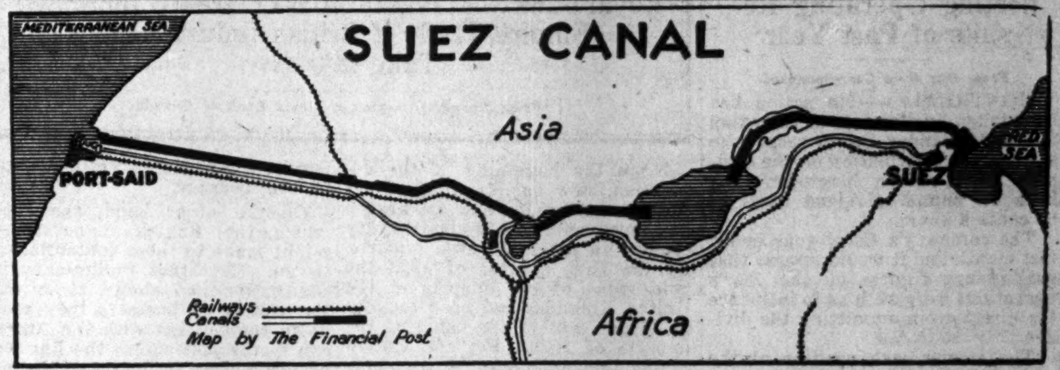
Importance is attached to this announcement here not for the reason that the manufacturers of this product are to be given additional protection, but because for the first time since the signing of the Ottawa Economic Conference trade treaties, the Bennett government has put into operation, by executive action, a tariff increase against British goods. There have been other order-in-council tariff changes since last August but in all of them the increases have been effective only against non--British countries.

The old tariff on regenerated cellulose was; British preference free, intermediate 10 per cent, general 10 per cent. The order-in-council rates are; British preference 20 per cent, intermediate 30 per cent, general tariff 35 per cent.

Trade Volume Small

On the basis of trade in the fiscal year ended March 31, last, the volume of imports affected is not large, a little more than $500,000, but some of it came from Britain, and the need of giving protection to domestic manufacturers against British cellulose must have been carefully considered before the change was made.

The order proves, however, that nothing in the trade agreement binds the hands of the Federal government in the matter of raising tariffs as the need may arise. In the present instance it is true that the government long ago promised this industry protection the moment it reached proportions which would guarantee its ability to serve the Canadian market.



Suez Canal Pays Handsome Dividend

French Company Owns Ship Channel But Britain Controls Company — Tolls Are Charged and Heavy Taxes Are Paid

The Suez Canal is privately owned and operates at a profit. Vessels making use of it pay tolls but find it economical to do so.

Thus the Suez Canal is like the Panama Canal and the Manchester Ship Canal, both of which charge tolls and operate at a profit. But only the Suez and the Manchester are privately owned, although in each case there is a large public interest; in the case of the first, that of the British Government and, in the case of the second, that of the corporation of the City of Manchester. The Panama Canal is entirely owned by the United States Government.

In Canada no tolls are charged on canals and all canals are owned by the Dominion Government. Even the $200,000,000 Welland Canal is open to the commerce of all nations without tolls, the taxpayers, including owners of competing forms of transport, bonusing the shippers in this manner. It is proposed also that the new St. Lawrence Ship Channel, to be built jointly by the Canadian and United States Governments, shall be free of all charges to navigation.

Was French Promotion

In view of the discussion gathering momentum in Canada on the subject of canals and canal tolls some facts about the Suez Canal may be of interest and value. It may be pointed out that the facts contained in the previous articles on the Panama Canal and the Manchester Ship Canal have been quoted in dozens of papers throughout Canada, evidence of the awakening interest in the recently dormant subject of canal tolls.

The Suez Canal is owned by the Compagnie Universelle du Canal Maritime de Suez, which is a company incorporated in France, that has its head office and holds its annual meetings in Paris, and has as a matter of fact a goodly majority of French directors. But before looking into the finances of the corporation let us recount briefly the familiar history of the canal itself.

Stock Sold in France

The Suez Canal is an artificial waterway nearly 100 miles long linking the great Mediterranean sea with the Red Sea and thus permitting a quick passage to be made between the Atlantic Ocean and the Indian Ocean. Between the Far East and the Far West the sailing distance is shortened by the distance around the continent of Africa. The present company, successor to the dreams and ambitions of many an earlier project, was formed in 1854 by a Frenchman, Ferdinand de Lesseps, who obtained a concession from Egypt. The concession was hardly valid without the consent of the sultan of Turkey, which was withheld for twelve years through the influence of the British foreign office. Lord Palmerston found plenty of arguments to offer against the canal, including the one that it was a physical impossibility but in reality he was afraid it would give a fillip to French influence in the East.

While he was struggling against British diplomacy de Lesseps went ahead with his stock selling campaign and disposed of 400,000 shares of 500 francs each, mostly in France but also in Turkey. The viceroy of Egypt took a large block of stock. And even before the consent of the sultan was obtained de Lesseps began to dig earth.

Rates Steadily Reduced

In addition to conquering physical and diplomatic obstacles, the indomitable Frenchman conquered financial obstacles by raising additional capital by lottery loans and in similar unconventional ways. Formal opening took place in 1869 just in time to stave off bankruptcy. The canal was a success from the start and when bankers refused loans de Lesseps carried on with the rapidly increasing toll revenues. In fact, so profitable was the canal that during its sixty years of history there has been constant conflict between the proprietors and the shipping owners of the world as to the rates to be charged and they have been gradually reduced.

All those who attend the theatre or the movies know that Lord Beaconsfield, prime minister of England, (or was it George Arliss?) finally put the canal under the practical control of the British Government by purchasing all of the shares held by the khedive of Egypt. The year in which this commercial and diplomatic coup took place was 1875 and the price paid by the government was just under £4,000,000 for which the government received approximately 176,000 shares of the total issue of 400,000 shares. This minority interest, together with other shares held in Britain, is sufficient to give the British control of the canal and the government nominates three of the 32 directors and British shipping interests nominate another seven. Of the remaining directors 21 are Frenchmen and one is Dutch. Among the British directors are Sir Alan G. Anderson, Sir John Cadman, the Earl of Cromer and Sir Robert Horne. Appropriately enough, the present Comte de Lesseps is one of the French directors.

Profitable for Britain

The canal has continued to be a profit maker and the British Government has already been repaid its original investment eight times over in dividends and interest.

The last annual statement for the year 1931 showed total receipts of about 1,000 million francs, which was below that of the previous year. Nevertheless dividends of over 600,000,000 francs were paid. The capital has been recast in various ways since the first sale of stock and the system of dividing profits among different classes of shares is highly complicated. Roughly speaking, however, the 400,000 original shares of 500 francs each have been split into 800,000 shares of 250 francs each and on these shares the dividend last year exceeded 500 francs. Thus dividends on the original stock now total approximately 200 per cent per annum at the present time.

Present tariff is six francs per ton for loaded vessels and three francs per ton for those in ballast. But a Suez Canal ton is not the same thing as an ordinary registered ton. In ordinary shipping terms, there were 30,000,000 net tons of vessels through the canal last year and, at the prevailing rates of exchange, the revenues from tolls were about $36,000,000. Thus the toll charge per ton averaged about $1.20. Other revenues are obtained from a charge of 10 francs per passenger; from the sale of water rights; from sale and rent of lands, etc.

Britain Biggest User

Somewhat over half of the total tonnage through the canal was British, which is usually the case. The Peninsular and Oriental group of steamship lines are the best customers the canal has.

In 1931 there was one red letter day for the Compagnie Universelle du Canal Maritime de Suez. This was the day that the steamship "Empress of Britain," of the Canadian Pacific's fleet, steamed through on a world cruise. Her 42,762 tons of net weight set up a new record for the canal. For her 13 hours and 26 minutes in the canal the "Empress of Britain" must have paid something like $50,000 in boat and passenger tolls.

The Suez Canal was the product of the creative genius of a Frenchman, the same Frenchman who later essayed to build the Panama Canal and failed. The French Government owns no shares in the canal. But it worries little, it draws a huge revenue in corporation taxes, something like 80,000,000 francs a year.

Cream Exports to U. S. Still Trickling Through

Despite the tariff of 56 6/10 cents per U. S. gallon against Canadian cream the export of that farm commodity to the United States has continued of late to make a better showing.

In September the export was 9,511 gallons valued at $16,460 compared with 9,470 at $16,592 in August and 6.703 at $12,411 in September, 1931. This export was a large business prior to the imposition of the Hawley-Smoot tariff in June, 1930.

Shipping Tonnage Increase at Montreal and Vancouver

During the fiscal year 1931-2, 9,476 seagoing vessels arrived at Canadian ports carrying 6,566,690 tons weight of freight and 254,225 tons measurement; 9,410 vessels left Canadian ports carrying 9,687,868 tons weight of freight and 1,011,148 tons measurement; 9,699 vessels arrived in ballast and 9,692 departed in ballast.

In the same period 766 ocean going vessels arrived at the Port of Montreal carrying 3,017,414 tons weight and 134,668 tons measurement; 647 vessels departed carrying 2,570,835 tons weight of freight and 183,214 tons measurement. This was an increase over the previous year, both inward and outward, in weight of freight carried.

At Vancouver in the fiscal year 1931-2, there arrived 1,435 ocean-going vessels carrying 1,290,517 tons weight of freight and 76,462 tons measurement; 1,399 departed with 3,002,279 tons weight of freight and 38,829 tons measurement; 833 vessels arrived in ballast and 664 departed in ballast. Although 162 fewer vessels left with cargoes than in the previous year the tons weight carried was 87,003 greater.

FARM FIRE LOSS IS SORRY SPOT IN PAST DECADE

Loss Ratio to Joint Stock Insurance Companies Over 90%

During the ten-year period extending from January, 1921, to December, 1931, fires were reported to have destroyed 31,260 farm barns, or roughly, 43 barns per 1,000 of the occupied farms in Canada. The actual loss in buildings, equipment, produce and stock amounted to $48,056,912, or 11.5 per cent of the total fire loss of Canada for the entire period.

On the whole, the insurance companies' experience in respect to farm property has been an exceedingly unprofitable one. Throughout the past ten years the loss ratio has ranged from 70 per cent to 130 per cent of the premium income of all licensed joint stock companies accepting farm risks. The average loss ratio for the period is in excess of 90 per cent of the premium income from the class which means that for every dollar paid to the companies for insurance, approximately $1.30 has been paid out by the companies for losses and expenses.

The annual distribution of barn fires in Canada during the past ten years was as follows:

Year	Number of fires	Property loss
1921	2,985	$5,546,810
1922	3,066	5,977,840
1923	3,249	6,415,020
1924	2,997	6,006,830
1925	2,756	5,834,070
1926	1,813	5,299,850
1927	2,286	6,107,310
1928	2,647	5,719,820
1929	3,193	6,322,570
1930	3,026	6,103,480
1931	3,240	5,418,220

Fires arising from definitely ascertained causes numbered 17,553, leaving the balance of 13,705 as of undetermined origin. The causes of fire reported were as follows:

	Fires
Lightning	4,158
Spontaneous combustion	3,698
Sparks and exposure	2,473
Smoking and matches	1,336
Supposed incendiary	1,299
Lanterns and open lights	1,015
Miscellaneous	3,574

Fires caused by lightning have shown a gradual decrease from year to year during the past five years. This possibly is due to the more general installation of standard lightning protection equipment.

Fires reported to have occurred from spontaneous combustion appear to be increasing in number. Their annual distribution throughout the period under review was as follows:

Year	Fire reported
1921	302
1922	364
1923	283
1924	326
1925	218
1926	286
1927	394
1928	253
1929	475
1930	410
1931	447

Fires from spontaneous combustion represented 12 per cent of the total number of barn fires and occasioned a property loss of $9,080,642, or 18 per cent of the total loss in farm barns. What proportion of the fires arising from unascertained causes might properly be charged to spontaneous combustion is problematical. That many fires of unknown origin do arise from this cause is indicated by analysis of the fires occurring from month to month during the entire period. The months during which hay and other produce is newly stored in farm barns are the months when the most frequent outbreaks occur.

Month	Percentage of total number of barn fires
January	2.3
February	2.2
March	2.4
April	4.1
May	5.4
June	7.0
July	13.5
August	16.8
September	23.1
October	10.8
November	8.4
December	4.0

From this record it is clear that more than one-half of all barn fires occur in July, August and September. If the conditions under which the produce was stored eliminates spontaneous combustion as a probable cause, the only reasonable deduction is that market conditions may have contributed to the destruction.

Hawley-Smoot Tariff Further Depresses Trade

Export of Canadian farm products to the United States in September was valued at $220,232, as compared with $4,532,642 in September, 1929, before the Hawley-Smoot tariff went into effect. In September, 1920, that export was $11,887,877.

During the three months ending September, 1932, the export of farm products to the United States totalled $767,308. In the corresponding three months prior to the application of the Hawley-Smoot tariff the export of the same commodities to the United States was $14,316,400. In the same period of 1920 it was $24,042,269.

Among the items which have decreased since September 1929, compared with September 1932, are: Cattle from $1,653,944 to $27,563; horses $11,855 to $5,695; poultry $55,372 to $281; sheep $5,503 to nil, apples $21,572 to $1,903; beans $26,568 to nil; wheat $246,229 to $20; bran and shorts $180,494 to $1,692; bacon and ham $84,657 to $21,652; fresh beef $465,495 to $2,481; mutton and lamb $48,082 to nil; fresh pork $128,258 to $9,096; cheese $108,185 to $6,867; cream $507,186 to $16,460; milk $88,928 to $9; potatoes $228,924 to nil; maple sugar $179,681 to $5,693.

RELIEF HOUSING PLAN IN WINDSOR GETS U. S. NOTICE

Landlord Allowed Up to $15 Monthly to Offset Tax Imposts

GOES BACK TO CITY

Fully 70 Per Cent of Payments Are Returned to Coffers

The National Association of Real Estate Boards, representing realtors throughout the United States, has recently given prominence to municipal compensation to landlords housing tenants on the relief list as practised in Ontario and particularly in Windsor.

Owners of rented rooms, flats and apartments are not left to meet the entire cost of emergency relief for their cities in respect to the item of shelter under a plan which Ontario cities employ.

The plan, which has been in operation for two years in the city of Windsor, Canada, is based on the city's compensating the owner who is housing tenants on the relief list, that compensation being in amount to meet at least the owner's tax charge and water rates for the premises thus occupied. C. J. DeFields, who has charge of this side of the emergency relief work for the city of Windsor, outlined the plan as follows:

Makes Monthly Allowance

The city makes an allowance to the owner of an amount equal to one twelfth of the yearly tax rate per month, plus $1 for water rates. Under the present provision the total amount now paid in Windsor may not exceed $10 per month, but under an "order-in-council" recently passed by the Provincial Government, municipalities are now permitted to make the maximum amount $15 per month, and the Windsor city council is contemplating action to allow the increased amount. The new plan would make the compensation equal the yearly tax rate plus 50 per cent as a basis, plus, also, the $1 per month allowed for water.

If there are any taxes standing against the property in question the amount allowed by the city is turned in to the city treasurer and placed to the credit of the taxes owing. If all current taxes are paid to date it is suggested to the owner that the allowance be credited to the 1933 taxes.

For rooming-house keepers the same plan is followed. If there are taxes owing on the property the allowance is paid into the city hall and the landlord is notified to give the rooming-house keeper credit on his rent in the amount allowed. Rates for furnished rooms are based on the tax rate on the part of the house occupied.

Applied on Taxes

Fully 70 per cent of the amount involved is, in practice, returned to the city treasurer on back or current taxes.

The city at the present time is housing approximately 1,000 families. The work as to housing is being done under the supervision of the Fire Department at a cost to the city of approximately $100 per month, plus the cost of the gasoline necessary for the course for investigating work.

CANNING INDUSTRY SHOWS EXPANSION

1931 Figures Lower But Ten Year Survey Shows Big Changes

The canned fruit and vegetable industry has made rapid strides in the past few years. Since 1921, the number of plants in operation increased from 270 to 278, the capital invested from $23,558,689 to $48,152,325, the number of employees from 3,577 to 6,329, salaries and wages from $3,150,564 to $4,509,377, materials used from $12,003,946 to $18,668,100 and value of products from $20,967,476 to $32,572,580.

During the period 1923-31, the volume of fruit and vegetable preparations increased 95 per cent. This growth is indeed remarkable as it represents a corresponding increase in the domestic demand for these products, the foreign trade being relatively small as compared with the domestic production. Imports in 1931 were valued at $4,315,979 and exports at $2,651,722. According to these figures, the industry supplied over 95 per cent of the domestic requirements.

The canning of fruits and vegetables is carried on most extensively in Ontario, British Columbia and Quebec, where climatic conditions for the growing of fruits and vegetables are favorable. The principal fruits canned in Ontario are apples, pears, plums, peaches, cherries, currants, gooseberries, blueberries, raspberries, and strawberries. In addition, British Columbia has the apricot and loganberry. The vegetables canned include tomatoes, peas, corn, beans, beets, carrots, pumpkins, squash, spinach and asparagus.

The canning season begins in June and continues throughout the summer and autumn until October, being at its height in July, August and September. In September of 1931 there were as many as 16,561 wege-earners employed in the canneries This number declined sharply to 5,530 the following month.

In 1931 the output of this industry was considerably lower than that of the previous year, the value of production being down $10,521,172. Of the main items of production, canned fruits decreased 143,005 cases, canned vegetables 2,770,892 cases, catsups and relishes 789,372 gallons. On the other hand there was an increase of 3,919,126 pounds in the output of jams, jellies and marmalades and 316,902 gallons in the output of vinegar. All told there was a decrese of about 20 per cent in the volume of production.

Canadian Gold Output Gains

The Canadian gold output for the first eight months of 1932 is substantially higher than that for the corresponding period of 1931, and total production for the year will undoubtedly reach record figures. Production for every month of 1932 shows an increase over the corresponding month of 1931, and compared with the 1929 monthly totals the average increase has been almost 60 per cent.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 183

Notice is hereby given that a dividend of Two and One-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1932, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1932. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager

Toronto, 21st October, 1932.

Standard Paving & Materials Limited

PREFERRED DIVIDEND NO. 15

Notice is hereby given that a dividend of Fifty Cents (50c) per share has been declared on the Cumulative, Convertible, Redeemable, Preferred Shares of Standard Paving & Materials Limited, for the period ending October 31st, 1932, payable November 15th, 1932, to shareholders of record at the close of business October 31st, 1932.

By order of the Board.

N. C. SHIPMAN, Secretary.

Toronto, Ontario, October 24th, 1932.

Disher Steel Construction Company, Limited

DIVIDEND NOTICE

Notice is hereby given that the Twelfth regular quarterly dividend of 37½c. per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Disher Steel Construction Company, Limited, payable on the First day of November, 1932, to shareholders of record on the 15th day of October, 1932.

By Order of the Board,

DONALD H. ROWAN, Secretary.

Toronto, October 14th, 1932

Consolidated Sand and Gravel Limited

PREFERRED DIVIDEND NO. 18

Notice is hereby given that a dividend of Fifty Cents (50c) per share has been declared on the Preference Shares of Consolidated Sand & Gravel Limited, for the period ending November 15th, 1932, payable November 15th, 1932, to shareholders of record at the close of business October 31st, 1932.

By order of the Board,

A. M. HARNWELL, Secretary.

Toronto, Ontario, October 24th, 1932.

The Bank of Toronto

Dividend No. 205

NOTICE is hereby given that a Dividend of Two and one-half percent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November 15th, 1932.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the eighteenth day of January next, the chair to be taken at noon.

By order of the Board.

H. B. HENWOOD, General Manager.

The Royal Bank of Canada

DIVIDEND NO. 181.

NOTICE is hereby given that a dividend of two and one-half per cent. (being at the rate of ten per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of December next, to shareholders of record at the close of business on the 31st day of October, 1932.

By order of the Board.

M. W. WILSON, General Manager.

MONTREAL, Que., October 14, 1932.

BANK OF MONTREAL

Established 1817

DIVIDEND No. 278

NOTICE is hereby given that a DIVIDEND of TWO AND ONE HALF per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1932.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the FIFTH day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board,

W. A. BOG, General Manager; JACKSON DODDS, General Manager

Montreal, 18th October, 1932.

The Guelph Carpet & Worsted Spinning Mills Limited

PREFERRED DIVIDEND No. 14

Notice is hereby given that a dividend of One and Five-eighths per cent. (1⅝%) being at the rate of Six and One-half per cent. (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the three months ended October 31st, 1932, payable November 1st, 1932, to Shareholders of record at the close of business October 20th, 1932.

By order of the Board,

B. F. GRIGGS, Secretary-Treasurer.

Guelph, Ont., October 20th, 1932.

The Guelph Carpet & Worsted Spinning Mills Limited

COMMON DIVIDEND No. 10

Notice is hereby given that a dividend of fifty cents (50c.) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet and Worsted Spinning Mills, Limited, payable November 1st, 1932, to Shareholders of record at the close of business October 20th, 1932.

By order of the Board,

B. F. GRIGGS, Secretary-Treasurer.

Guelph, Ont., October 20th, 1932.

Foresee Good Sugar Crop

Officials of the Canadian Sugar Factories, Limited, at Raymond have estimated about 36,000,000 pounds of sugar will be produced from this year's beet crop, with several hundred tons of molasses. Base price being paid by the Raymond factory under contract with the growers will be $5 a ton, but bonuses on the 1932 yield are also anticipated which will increase the value of the crop and net the growers an average of $1,000 each.

CANADIAN CAR OMIT DIVIDEND JUNIOR STOCK

Action Regarded as Reflecting Operating Results of Past Year

From Our Own Correspondent

MONTREAL. — No action has been taken by directors of Canadian Car and Foundry Co. in respect to the current distribution on the common stock, which heretofore had been on annual dividend basis of 60 cents a share.

The company's fiscal year ended last month and it would appear that preliminary figures on the year's operations were such as to influence the directors in ommitting the dividend.

The strong cash position at the end of the previous year warranted the directors in omitting the divi- on the common stock, but it is known that operations this year have been on a limited basis. This was reflected last April in cutting the dividend from $1 to 60 cents a share.

Lack of Business

Operations of this company are very dependent to a great extent upon new purchases by the railways. Over the last two years the transportation companies have been a meagre source of income for the railway rolling stock manufacturers.

Efforts have been made by the management to widen operations and to this end, the Canadian Tank Car Co. was formed to build and lease tank cars to shippers using this type of conveyance. This unit has been operating only a short time, but is expected to develop into a revenue producer for the parent concern.

Consequent upon the extensive buying of rolling stock by the railways in 1928 and 1929, Canadian Car was able to build up a strong balance sheet position. At the close of the 1930 fiscal year the company had a net working capital position of $7,173,852, which amount consisted largely of prime securities and cash. Though the dividend needs were not fully covered in 1931, the cash position of the company remained much the same as in the previous year.

Report for the year ended September 30, 1932, is not expected to show as large earnings on the common as in 1931, when 65 cents was reported. Operating income will be limited, but revenue from investments is likely to give the company sufficient income to cover its preferred dividend requirements which total $525,000.

U. S. Largest Buyer of Sept. Lumber Exports

Total export of planks and boards in September was 35,455 M. feet valued at $627,605, of which 11,800 M. feet went to the United States and 11,009 to Great Britain.

Douglas fir was the largest class with 11,422 M. feet valued at $135,869; 4,275 M. feet went to the United Kingdom, 3,000 to Australia, 2,371 to China, 775 to Japan and 420 to Hong Kong. Spruce was next with 11,310 M. feet valued at $198,650, 8,102 M. feet going to the United States and 3,083 to Great Britain.

Japan was the heaviest purchaser of Douglas fir square timber with 1,287 M. feet. Australia got 5,088 M. feet of hemlock planks and boards.

The export of planks and boards in August was 53,609 M. feet and in September, 1931, 86,859 M. feet. The Douglas fir square timber export in August was 9,091 M. feet and in September, 1931, 9,755 M. feet.

Canadian Vegetable Oils Starts Up in Vancouver

Vancouver.—Another new industry came to Vancouver recently with establishment of the first unit of a vegetable oil factory—the first of its kind in Canada—here by Canadian Vegetable Oils Ltd. Cost of the first unit is $45,000.

The company's products will be shipped to Canadian soap factories and edible oil refineries. Canada imports vegetable oils to the value of $4,000,000 annually, a large proportion from the United States. The Vancouver company will obtain most of its raw material from the Orient and the South Seas.

DIVIDEND NOTICES

George Weston Limited

Preferred Dividend Number 19

NOTICE is hereby given that a dividend of one and three-quarters per cent. for the three months ending 31st October, 1932 (being at the rate of Seven per cent. per annum), has been declared on the 7% Cumulative Redeemable Preference Shares of the Company, and will be payable on and after 1st November, 1932, to the Preferred Shareholders of record at the close of business on the 20th day of October, 1932.

CHARLES W. KERR, Secretary.

Toronto, October 18th, 1932.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twelve (12c.) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to shareholders of record October 21st, 1932, and a dividend of thirteen (13c.) cents per share for the quarter ending December 31st, 1932, payable February 15th, 1933, to shareholders of record January 21st, 1933.

By Order of the Board.

JAMES WILSON, Secretary.

Montreal, October 18, 1932.

NOTICE

Notice is hereby given that License No. 21 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Fireproof-Sprinklered Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 22 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Metropolitan Inter-Insurers to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Far-Reaching Effects Seen By Bank From Parley

Royal Bank Sees Possibilities of Greatly Increased Empire Trade if British Industrialists Take Initiative

From November Letter of Royal Bank of Canada

From the beginning of the depression, new tariffs, foreign exchange restrictions and embargoes have been employed in almost every country in order to check imports. By the first quarter of 1932 the gold value of the imports of the United Kingdom had been reduced to 46 per cent of the value of the imports of 1929. For the United States this ratio was 35 per cent; for Canada, 33 per cent; for New Zealand, 30 per cent, and for Australia, 17 per cent. It would seem then that efforts to reduce imports have been amazingly successful. International trade has entered upon an eclipse.

It is the British peoples who have been most restive under these new restrictions. The British Empire was founded upon traditions which are closely linked with world trade; both the standard of living in Great Britain and the prosperity of the Dominions are more closely associated with the growth in world trade than with any other single factor. The rejection of plan after plan for improved commercial co-operation between the nations of the world seemed to indicate that the world was not ready for a mutual and co-ordinated attack upon the problem. In the dilemma created by this great need for trade, an Empire Economic Conference was assembled to determine the extent to which loss of international trade could be offset by increased trade within the Empire. The concessions made at the conference give promise of an increased volume of trade between Empire countries.

British Preference Wide

Current newspaper and periodical comment on the tariff concessions made by the Dominions, and particularly by Canada, fail to give due weight to the generous preferences already accorded to British goods. In the years 1930-31-32 there have been at least three major revisions of the Canadian tariff, and the items in which there have been changes made constitute at least five-sixths of Canada's total imports. If from total imports we deduct the value of raw cotton and petroleum and other raw materials which come into Canada free of duty, there is a preferred British rate on about nine-tenths of the remaining Canadian imports. Each of these changes has produced some increase in the general tariff and each revision has brought increasing opportunities for the British exporter.

Since these revisions were made at a time when the volume of international trade was falling rapidly, it is not possible to secure evidence as to the probable net effect of these revisions upon flow of trade in normal years. On October 13, an estimate was issued by the Department of Commerce of the United States stating that in normal years the most recent changes would reduce United States exports to Canada by about $75,000,000. Like calculations issued in connection with the former revisions bring the total of their estimates of the effect upon trade to more than $125,000,000. There is no evident reason for these estimates to be exaggerated; in fact, if the following facts are pertinent, the British exports to Canada in normal years may be increased by much more than the amount suggested.

Markets Need Study

With their initiative held in check by the discouragements connected with falling price levels, British manufacturers and exporters have not yet fully explored the opportunities offered by the Canadian market. Canadian merchants and importers have gone so far as to suggest that the British have not been alive to the preferences granted under the tariff which was in existence prior to the revisions mentioned. It is their contention that adequate stocks and replacements have not been kept in Canada, that few intensive studies have been made of the peculiarities of Canadian demand, that adequate arrangements have not been made for financing the sale of goods customarily sold on the partial payment plan, and that suitable organizations have not been built up to service the products which are sold in this country.

On the other hand, the reply which the British manufacturer might make to these contentions is to the effect that preliminary investigation had shown them that the volume of business they could do in competition with the American plants just across the line was not sufficient to warrant the expense necessary for carrying on these activities. If there is even a modicum of truth, however, in the contentions mentioned above, then the extraordinary emphasis which recent publicity has laid upon the potentialities of the Canadian market, together with the new tariffs, may lead to some of the changes suggested. Certainly, the Canadian market is now receiving more careful analysis by British manufacturers.

Time is Required

As yet, the percentage of imports coming from Great Britain has not been greatly changed. It takes time to build up new trade connections, to establish agencies and service organizations; these developments do not take place rapidly during a depression. The public has not become accustomed to British trade names, but in time British goods generally may be as well known in Canada as corresponding names and goods from the United States.

In general, the price level in Great Britain and the cost of manufacture should be sufficiently low to enable British manufacturers to offer goods at prices which will prove decidedly attractive. The very fact that British manufacturing is not done on as large a scale as that which prevails in the United States should permit the British manufacturer to adjust his product to the idiosyncrasies of Canadian demand more readily than could the manufacturer in the United States. British goods have the reputation for high quality; this reputation will react very greatly in their favor. Canada has made the concessions; the volume of sales will now be dependent upon the initiative of the individual manufacturer or exporter.

Great Forces at Work

It seems probable that there are forces at work, sufficiently complex and powerful, to make great changes in the routes of world trade. As Canada makes new agreements with countries, both within and without the Empire, there will be corresponding changes in the sources of many of our imports. It is becoming more and more clear that such arrangements are to be made on a reciprocal basis and that a larger proportion of imports than in the past will come from countries which accept Canadian products in return.

For the world as a whole there can be little doubt that close bargaining will not produce as large a volume of trade as would result from a free inter-play of natural economic forces. For the Empire, and particularly for Canada, this same statement does not seem to be necessarily true. To a very considerable extent it would seem that Canada could supply her own requirements from Empire sources, even though she were cut off from a large proportion of her trade with the rest of the world. If the peak of the movement toward higher tariffs were reached at the Ottawa Confeence, and if the world from time time on come to a clearer understanding of the dire consequences which follow upon trade restriction, the conference may eventually be considered a major turning point in economic history.

As to whether present developments are merely part of the psychological reaction to post-war conditions, and particularly to the depression, it is too early to forecast. Empire countries produce a surplus of a wide variety of products. If they cannot sell these to other parts of the world it is certainly essential that they sell them within the Empire. It is only in this manner that the standard of living can be maintained at anything like the level which now exists.

Would Rationalize Milling On Imperial Foundation

English Writer Sees Solution of Canadian and Australian Flour Industries' Problems in Reorganization of Business Along Empire Lines

From Our Own Correspondent

MONTREAL.—Pointing to the success which has attended rationalization of the British flour milling industry, W. Norman Vernon, president of the National Association of British and Irish Flour Millers, expresses the opinion in the English journal "Milling" that Canadians and Australians might do well to investigate the possible advantages of a scheme similar to that adopted by the United Kingdom millers.

He points out that Canadian mills are operating at less than 40 per cent of capacity, a condition which Britain even in her worst days did not experience. Australian mills are in no better condition. What then he asks, is in the way of a sound scheme of reorganization on an imperial basis?

He continues in part:

"At present, Canadian and Australian millers are actively engaged in a cut-throat competition for their respective home trades; so that the millers there might take a leaf out of the records of millers here and rationalize. There are snags, of course, but the latter are made to try the scheme; and, if overcome, are an added testimony to its soundness. Quite a number of the mills of Canada and Australia have chain stores and bakeries in connection or amalgamated; that is a factor to be considered. Then there is the displaced labor which must result from any scheme which reduces potential capacity to actual requirements. But it did not prove insuperable in Britain, and there does not seem to be any reason why the leaders of milling in the Empire overseas should be unable to solve their own troubles on this score.

Question of British Market

"Finally, there is the question of the British market for Canadian and Australian flour. At present, there is intense competition between these two units (and within the units themselves, between the various agents and factors) for the trade enjoyed. With the prospective growth of strong wheat in Australia, and the improvement likely to be effected in the future, in the grading of Australian grain, this competition threatens to be more severe. A really healthy scheme of reorganization will take account not only of their domestic needs but of their export trade, which should be the subject of mutual agreement, reducing or eliminating the present competition.

"The above suggested economic imperialism is full of the most hopeful possibilities. It indicates a way in which industrialism may find a chance to save itself. It is a gesture of the empire, made by the home milling trade, in the interests of imperial milling good-will. It is, likewise, a gesture to the world, indicating an avenue of escape from the present industrial impasse; that is, if its reception by the empire overseas is favorable and is reflected at the World Economic Conference. Within it are the germs of an alternative to the communism which Russia has decided upon in her despair and also an alternative to the political interferences that are the despair of business men."

From England also comes the report of the Ottawa delegates of the Liverpool Corn Trade Association and the London Corn Trade Association. After dealing with events which led up to the final decisions arrived at at the conference with respect to a preference on Canadian wheat and free entry for Canadian flour, the delegates report that in their opinion free importation of flour is prejudicial to the interests of the grain trade and to the farmers. But having expressed this opinion, they were satisfied that any action in it would best be initiated by the milling trade.

WORLD TROUBLES REACH FAR NORTH; NO ONE IS ISOLATED

Hudson's Bay Co. Governor Addresses Employees Over Radio

In a radio address to the far-flung outposts of the Hudson's Bay Co. I. P. Ashley Cooper, governor, after a visit to all the district offices, depots and fur purchasing agencies of the company in the Dominion, stresses the intimate connection there is between the daily work of the factor living far from railroads and civilization and such world events as political uncertainty in the United States or the financial troubles of a European country.

Good Ground Work Done

"Business throughout the world is at a low ebb," continued Mr. Cooper. "Men in all trades are in great trouble. Exchanges, tariffs, politics, all seem to be strangling us at our work.

"While there is no very clear sign of improvement, I am satisfied that during the last twelve months a good deal of solid ground-work throughout the world has been done.

"Business in the fur trade has been very difficult and that is largely due to world conditions. Over those affairs you have no control.

"But there are affairs over which you have direct control. I mean the operations at your own posts. Here I speak with optimism and with great appreciation of what you have accomplished.

"At almost every post throughout the company improved results have been obtained. That is a great achievement and these improvements have been obtained by your own vigorous efforts.

"To get these results, you have pulled in your belts; you have wholeheartedly adapted yourselves to the new conditions.

Conditions in Cities Harder

"In this connection I want to say a word of special appreciation to the men in the extreme north and the more isolated posts. You are far removed from contact with world changes. Nevertheless, you have realized the necessity for retrenchment and you have given us your full co-operation. And if ever you feel that times are difficult, remember that conditions in the cities are definitely harder than anything you have experienced.

"Every post manager is working hard to keep down expenditure; but that is only one side of the picture. If we are to make a real success, remember that we must increase our business—we must build up our trade. Keep that constantly in mind.

"You will remember, too, your duty to your customers and to your trappers, White, Indian and Eskimo. I have seen with satisfaction how our post managers are helping them It is your duty and your interest in these hard times to help them to improve their condition and to be self-supporting once more."

BRITISH QUOTA ON PIG PRODUCTS MAY AID CANADA

If Report of Commission is Approved, Canada's Exports Should Rise

Report of the Pig and Pig Products Reorganization Commission tabled in the House of Commons, London, this week and advocating a quota system for the supply of bacon and ham to the British market is believed to pave the way for a substantial quota of the Canadian product.

The report recommends steadying the price of bacon and ham products in Great Britain to the point where pig raisers in Great Britain can operate at a profit by means of a quota restricting imports of pig products into U. K. to 10,670,000,000 lbs. a year. The quota would commence on July 1, 1933, and is equivalent to the average supply available in the period 1925 to 1931. On the basis of 1931 supply this would mean a reduction of imports by 2,500,000,000 lbs.

The committee recommended home production should be limited to the quantity producers can guarantee to supply and that for this purpose all sales of bacon and pigs should be on a contract basis.

The initial quota for home production from next July 1 would then be equivalent to the volume of bacon contracts held by curers, and the remainder of the base figure of 10,670,000,000 pounds would be allocated to exporting countries as national quotas.

Home Quota Would Increase

Subsequently, the report continued, the home quota would be increased at a maximum rate which would double the output in two and a half years, and annual adjustments would be made in the import quotas.

The commission's proposals included creation of a quota advisory committee which would determine and allocate the quotas and a pig industry development board to unite producers and curers in a common effort to develop the industry.

The advantage claimed for Canada is in the extent of the quota placed on the Dominion. While foreign countries, it is proposed, will have a quota less than the amount they have been shipping to the U. K. in recent years, the quota extended to Canada is higher than her bacon exports to Britain ever reached and only approached during the biggest war years. Her quota is to be 280,000,000 lbs., or 2,500,000 cwt. (112 lbs.).

Canadian Export Low

In the last fiscal year Canada exported to Britain 105,249 cwt. of bacon and hams. This was the lowest in many years and will be exceeded this year. In 1926 the total was 1,232,926 cwt., but has steadily fallen since then until it reached last year's low level.

Should the quota be successful in raising the prices in Britain, Canada and all other countries will get the benefit of higher prices. Foreign countries will have the volume of their exports into the U. K. market cut as compared with former years, whereas it is claimed the quota given to Canada is greater than she can produce bacon and hams to fill for the next few years at least.

No Bonus Paid On Royal Trust Stock in 1932

From Our Own Correspondent

MONTREAL.—Royal Trust Co. has omitted payment of the regular bonus on its capital stock this year. For the past two years a bonus of 2 per cent has been paid on October 31; extra dividends of varying amounts have been paid without interruption since 1907.

Regular dividends at the rate of 16 per cent have been maintained this year on the capital stock of par value $20. Total disbursement on the shares in 1922 will be 16 per cent compared with 18 per cent (16 + 2) last year.

Present shares represent a five for split undertaken in 1930. Previous disbursements on the stock have been as follows:

	%		%
1900	6	1912-19	12+4
1901	6	1920	14+4
1902-4	8	1921-27	16+4
1905	8+2	1928	14+4
1906	10	1929	12+4
1907-9	10+2	1930	13+2
1910	10+4	1931	16+2
1911	12+3	1932	16

DEVELOPMENTS IN GRAIN TRADE AFFECT C. S. L.

Drop in Exports and Cut in Rates Militate Against Income

From Our Own Correspondent

MONTREAL.—Drop of one-half cent a bushel in the rate on wheat shipped from the head of the lakes to Montreal, together with the sudden stoppage of export demand, have not tended to improve the position of Canada Steamship Lines.

For several weeks past Canada Steamship had been experiencing a substantial flow of grain traffic. Added to this was the higher price for shipping — rates having been increased from 4½ cents a bushel in July to 7 cents a bushel on October 1—so that prospects for a marked improvement in revenue appeared promising for the current grain shipping season.

Scheduled Rates Cut

On Sunday last announcement was made that the tariff would be cut one-half cent to 6½ cents, as compared with the 7 per cent rate prevailing since the beginning of the month. This reduction followed complaints made to Ottawa by representatives of the western wheat pools and Prairie governments who considered the rates as established by the Associated Lake Freighters of which Canada Steamship Lines is a member, as being excessive in view of declining wheat prices.

Western interests were also put about by the story published in the Winnipeg Free Press that in order to obtain the British preference, direct shipments would have to be made, thus conferring a monopoly on the Canadian vessel owners. This supposition is denied in cable despatches from London, which state that in order to obtain the 6 cents a bushel preference over foreign wheat, Canadian shippers have only to consign their wheat on a through bill of lading from Canada. If the wheat, however, is consigned from a United States port it will not obtain the preference. it is said.

Shipping agents at Winnipeg are reported as saying in commenting upon the farmer's complaints, that the rates have been much too low and a seven cent toll was not excessive, when it is considered low water conditions at the Soo had reduced the draught of upper lake carriers from 20 to 17.9 ft. This, they claim, reduced considerably the carrying capacity of the ships which in turn cut the revenues on cargo.

As far as Canada Steamship Lines are concerned it would now appear that the volume of grain to be handled and revenue therefrom this season may be smaller than anticipated. With a pick-up in traffic, however, the aggregate results are likely to be satisfactory, inasmuch as the movement last year was of limited proportions.

LATER ESTIMATES OF PRAIRIE CROPS SHOW BIG DROP

Grain Dealers' Figure is 409 Million—Searle Estimate Down 7 p.c.

Substantially lower estimates for the 1932 prairie wheat crop have been made in the past week as compared with preliminary estimates made by the Dominion Bureau of Statistics and the Manitoba Free Press early in September.

Searle Grain Co. which on September 12 estimated a total prairie wheat crop of 452,678,000 bushels, has now cut its original estimate by 7 per cent and on Oct. 17, from 856 reporting stations, forecast a crop of 419,000,000 bushels.

N. W. G. Estimate Low

Northwest Grain Dealers whose estimate has just been announced forecasts a crop of only 409,896,000 bu. These compare with a D.B.S. preliminary estimate of 446,000,000 bushels and a Free Press estimate of 426,800,000 bushels. The final D.B.S. estimate will be made on Nov. 10.

Commenting on the difference in the estimates, the Searle Grain Co., in its final report for the year, says:

"On September 12 some 804 correspondents of the Searle Grain Co., whose observations cover every grain growing district of Alberta, Saskatchewan and Manitoba, estimated the yield per acre that would be produced in their districts, basing their estimates upon the appearance of the ripened but as yet mainly unthreshed crop, and in some districts upon the threshing returns up to that time of the earlier ripening varieties which had escaped to a great extent the damage hereafter mentioned. These estimates indicated a total production of 452,678,000 bushels.

"Correspondents' final estimates, compiled from actual threshing returns, now indicate a total of about 419 million bushels, a large difference between the final threshing returns and earlier estimates. The following unusual factors, however, no doubt account for the decrease.

"More than average rainfall occurred throughout the West during June. This promoted a generous and heavy growth of the wheat plant in the form of leaves and stem. Then from the middle of July up to the middle of August much less than normal rainfall occurred, so that the generous growth of the plant was not maintained. Added to this adverse condition a series of unusually hot winds occurred toward the end of July and into the first part of August which literally desiccated the plant which finally ripened with a large amount of straw and much less than the normal weight of wheat kernel. This deterioration in the wheat kernel was difficult for observers to detect. They naturally estimated the probable yield as usual in relationship to the quantity of straw. Every year, in some districts, this same difficulty in estimating occurs, but this is the first time for many years that such a condition has been so widespread.

"Of the difference of approximately 34 million bushels between the two estimates 26 millions are accounted for in Saskatchewan, 6 millions in Alberta and 1.6 millions in Manitoba."

Extend Columbia Grain Elevator

Excavations for an extension to the Columbia Grain Elevator at Vancouver is completed and construction work commenced by the Dominion Construction Company. The project, which involved an expenditure of approximately $30,000 and provides additional storage facilities for 150,000 bushels of grain, will be completed by December 1st, 1932.

W. E. & L. S. RLY. MAY ASK CONCESSIONS

Trustee Seeks to Collect Monies Due — Must Meet Bank Loans Soon

Guarantee Trust Co., acting as trustee for the bondholders of the defunct Windsor, Essex & Lake Shore Railway Association, has taken action to secure rentals due to the railway by the Sandwich, Windsor & Amherstburg Railway and 9 per cent of the earnings of Canadian Greyhound Lines which operates a bus service on the route of the defunct railway. The association, which represents the interested municipalities in the Border Cities group, has appointed a special finance committee to enter into negotiations with the bondholders.

Interest of $3,000 is due the Canadian Bank of Commerce on November 1 on a $100,000 bank loan and each of the nine municipalities involved in the association are expected to meet their share of this charge. The Canadian Bank of Commerce and the Bank of Montreal hold a total of $280,000 in notes against the association of which $30,000 matures in February, 1933. Bonds of the railway aggregate $1,000,000 and do not mature until 1959, if the line were continued in operation. The bonds, however, are payable now since operation has been suspended.

May Ask Concessions

John Sale, K.C., association counsel, states that the association retains its statutory power to collect funds due from municipalities and that these powers would be in effect until the association is dissolved by legislation. The association is advised to ask such concessions from bondholders as waiving of the 10 per cent penalty clause, payment in Canadian instead of American funds and a lower rate of interest.

In order to meet bank loans of the association, it is proposed that provincial legislation be asked to allow the sale of debentures with payments spread over 10 or 15 years. Next interest payment on the Windsor, Essex & Lake Shore Railway Association bonds amounts to $60,000 due February 1, 1933. Tentative suggestions have been made by Mayor Croll, of Windsor, that interest rates might be reduced from 6 to 5 per cent. It is not necessary to obtain legislation in order to effect a settlement with bondholders as any action which is approved by 75 per cent of a meeting of bondholders at which 51 per cent of the bonds are represented is effective.

The outstanding and unsold municipal debentures which secure the Windsor, Essex and Lake Shore Railway Association bonds are as follows: Windsor West $55,657; Sandwich East, $56882; Sandwich South $44,365; Gosfield North $104,463; Gosfield South $138,203; Essex $81,297; Kingsville $105,390; Leamington $159,254; and Windsor $354,488.

Windsor R. C. Board Favors Moratorium

Windsor Separate School Board has gone on record as being in favor of the moratorium plan proposed by Mayor Croll for Windsor and has appointed a committee to confer with city officials with a view to applying the plan to the bonded debt of the Separate School Board which amounts to slightly over $1,000,000. The Separate School Board looks after the sale of its own debentures and will be able to take care of its debts this year but due to difficulties in the collecting of taxes some plan will have to be adopted to defer future payments of principal on bonds although interest payments would be continued. The School Board would follow the Croll plan as far as possible.

At the present time, the Board is paying about $33,000 annually in principal and interest and all but some $7,000 of this has been met this year. The $7,000 comes due in December and the Board will be in a financial position to meet its obligations.

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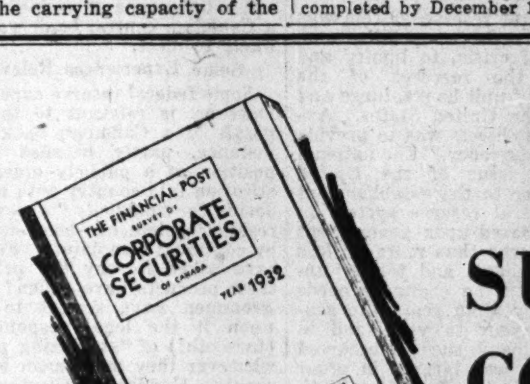

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Dominion Textile Stands As Leader in Industry

Progress in Past Has Been Noteworthy Due to Establishment of Wide Market for Diversified Output

Shares of Dominion Textile Co., largest manufacturer of cotton goods in Canada, have long been a popular medium for trading and investment on the Montreal Stock Exchange. The company has built up a strong financial position over a long period of years and dividends have been paid on its common stock without interruption since 1908.

A company, however, cannot be judged from an investment angle on its past record alone, although its history is of great importance. Investors when they purchase a security are vitally interested in the future and in view of the difficult situation which has surrounded the textile industry for the past few years it is interesting to peer ahead and estimate what is in store for Dominion Textile Co.

For the moment, the new tariff agreements touching cotton goods need not be discussed. Though important and bearing directly on the situation surrounding Dominion Textile Co., the new British preferences are a relatively minor affair compared with the fundamental position of the industry. True, the new tariffs are an added burden, but manufacturers are inclined to regard them more as another irritation in an already difficult problem, rather than a major factor in viewing the future. Competition from British imports will be keener than ever under the new preferences; cotton companies which have had to meet this competition in the past by selling goods at a loss will have to take a still bigger loss on certain lines if they are going to continue to compete.

World Situation Major Influence

But recent changes in the tariff have no bearing on the fundamental situation in the world cotton industry and it is this which has a major influence on Dominion Textile Co. Cheap labor and low cost production in the Lancashire cotton industry have in the past, and probably always will prove a thorn in the sides of Canadian cotton manufacturers. The unprecedented decline in raw cotton values, coupled with lower demand from the trade on account of business conditions, are other problems which tend to relegate tariff changes to the background.

How has the company weathered this storm which has been raging round it for the past three years? Dominion Textile Co. has been able to maintain its production at relatively satisfactory levels. It has reported lower earnings, but earnings sufficient to cover all its charges and dividend requirements with the exception of the last fiscal year ended March 31, 1932, when profits fell short of full dividend needs on the common by $152,286. Earnings were equal to $4.44 a share against a distribution of $5.

Weathers Big Difficulties

It may be argued that if the company has been able to make this showing in face of conditions existing in the past three years, prospects for the future cannot be considered discouraging. This does not mean to imply that the company's troubles are over. Earnings this year are likely lower than last year and the possibility of a reduction in dividend payments cannot be discarded. But figures establish the fact that during a period when cotton values dropped in an unheard of manner and trade activity was at a very low ebb, Dominion Textile Co. was able to maintain its position. Given an improvement in the general business situation and a strength in cotton prices, indications are that the company would benefit.

How this relative stability has been achieved in recent years is worth investigating. One of the chief factors is the company's wide and established market for what might be termed its primary production. There are numerous industries which consume large quantities of cotton in their basic operations. These sales of cotton for industrial purposes have built up a steady backlog. That they show a decline in the past year or two is natural, but they would be quick to respond to any speeding up in industrial activity. Industrial outlets provide one of the widest channels for the company's production; as yet there is no indication of a radical change in this situation; the world has not yet found a substitute for cotton as a basic commodity.

Changes in fashions have swung a certain amount of demand for cotton over to silk and artificial silk. Broadly speaking, this does not affect Dominion Textile to any appreciable extent. The company, in fact, has adapted its output to the new trend and is now the largest consumer of rayon yarns in Canada. It is manufacturing a wide line of artificial silk weaves for which a good market has been found.

Mills Are Modernized

From an operating angle the company's mills are as modern as any in the world. From year to year large sums have been ploughed back into the property; new equipment has been installed, new processes adopted, and costs have been kept at a level which has allowed a profit in spite of competition. The mill of Montreal Cottons, a subsidiary, has recently been entirely overhauled and now represents one of the finest cotton plants in existence. It is interesting to note that the mill is one of the largest single cotton manufacturing units in the world.

An instance of recent plant additions is seen in Dominion Textile's big investment in its print works at Magog. Within the past four years machinery costing around $1,000,000 has been installed; output from this unit has proved one of the company's most satisfactory ventures. Another indication of growth is the investment in the tire fabric industry. In 1928 Dominion Textile purchased what is now the Drummondville Cotton Co. and through this subsidiary is manufacturing tire fabric on a wide scale. When the automotive business was prosperous this division did well; recently there has been a slump in activity. It may be supposed that increased production of motor cars in the future will speed operations at Drummondville; in the meantime replacement business is being maintained.

No Increase in Debt

All this expansion has been carried out without increasing funded debt. Common shares outstanding were increased in 1929 through the offer of rights to shareholders to purchase one new share for each five held at $75; apart from this capitalization has not been changed since the formation of the present company in 1922. Funded debt totals $4,912,000 compared with property carried at a depreciated value of $19,208,401.

Looking over the past, then, investors see consistent plant expansion coupled with conservative policies in finance. Total assets have been increased from $30,489,500 in 1924 to $36,150,707 in 1932. The only change in capital was the issuance of 45,000 additional shares of no par common stock. Dividends have been earned each year, with the exception of that ending March 31, 1932. Payments have been made at the rate of $5 a share since 1926; surplus at the end of last year was $7,263, 266.

Effects of New Tariffs

The immediate future will be affected by the new British preferences. Always a keen competitor in certain lines, the United Kingdom manufacturer is now given easier ingress into the Canadian market. Dominion Textile will have to meet the lower prices of imported goods; any loss sustained in this way in the past will be increased during the life of the present agreements.

But the wide diversification of the company's business will stand it in good stead. There are many lines which it manufactures which will not be menaced by the new duties; industrial business, for instance is not likely to be affected. Actual volume of imported goods from the United Kingdom is not very large; it is the fact that the lower price will have to be met which concerns Dominion Textile Co.

Prospects For Future

There are some factors which may be noted. As production is increased so costs are lowered; if the next year or two brings an improvement in purchasing power it may be expected that demand for cotton goods will rise and all divisions of the company's operations should feel a stimulus. In short, though the new tariffs will prove temporarily embarrassing they cannot be regarded as a potent factor in viewing the long-term outlook for Dominion Textile Co.

Strength in the raw cotton market would also find quick reflection in the company's position. The past two years have witnessed steady declines in cotton values; the prices dropped from 10.70 cents to 5.32 cents a pound during the company's last fiscal year. In that period gross sales were $13,854,000, a drop of 9 per cent from the previous year, but volume of sales of gray cloth and printed goods was actually higher, an indication of the effects of low cotton prices. Conversely the effect of a gain in raw cotton values is apparent.

Leading Factor in Industry

Summing up, it is seen that Dominion Textile Co. is the leading factor in the Canadian cotton manufacturing industry. Its management has proved its ability in the past to make money and to adapt operations to changing conditions. Difficulties in the past three years have been severe; the company has weathered them without an impaired position.

At the moment there has been no improvement in business, while previous problems have been accentuated by new tariff agreements. Earnings may well show a lower tendency but the strong financial position established in the past should enable the company to tide over present troubles. Diversified output and its strongly entrenched position in the domestic field should both aid the company when a change for the better appears in general business conditions.

Spread in Bond Prices

I was recently importuned to buy an unlisted bond in the "John Doe Corporation" at a price of 40 and interest and upon making enquiries I found that the market on this bond in Toronto on the day I made the transaction was approximately 36 and interest.

It would seem that the broker from whom I bought this bond charged me $40 more than I could have bought the bond for the same day in Toronto. Have I any recourse?

There might be considerable difficulty in securing a judgment against the broker who sold you an unlisted bond at 40 when the market in Toronto on that day was approximately 36. The Financial Post does not presume to give legal advice but it would seem that the rule of "let the buyer beware" would enter into the case very strongly.

If action were taken, it would be necessary to definitely establish the fact that the Toronto retail offering price was approximately 36 and that sales had gone through at this price. While the spread of 4 points between retail price in Kitchener and in Toronto seems excessive on an active bond, it is possible that such a spread could occur without intent on the part of the broker to take an undue profit. Considerably broader spreads have occurred in the past few months on the less active industrial bond issues. As you are doubtless aware, there are really two markets on a bond at the same time, the first being the street market on which basis bonds are traded between brokers and the second being the retail market. There is generally a spread of at least 1 or 2 points between the price at which the broker could buy corporation bonds on the street and the price at which the broker would offer the same bonds to a client. Since you do not mention the bond purchased, we are not aware as to just how actively it is traded in the street or what the price trend has been in the past week or so.

If the broker acted for you in the capacity of an agent and bought bonds at 36 and sold you at 40 and commission, there would be definite ground for action. If the broker acted as a principal in selling you the bond, action would be much more difficult.

Canada Steamships

I am a subscriber to The Financial Post and would like to take advantage of your enquiry service. Can you tell me anything about the current position of Canada Steamship Lines, a company which, I understand, is having a difficult time this year?

A published official announcement of Canada Steamship Lines stated that the company's operations have shown improvement recently. Movement of grain down the Great Lakes is active, and a considerable portion of the company's tonnage is engaged at the moment. Further, through the formation of Associated Lake Freighters, grain-carrying rates have been stabilized and the current tariff is seven cents a bushel compared with a low of around three cents a bushel when price cutting was at its height early in the summer. Naturally this has found reflection in earnings of Canada Steamship Lines, whose chief revenue is derived from the carriage of grain. Current bank loans have been paid off though the loan which was outstanding at the end of 1931 is still on the company's books. As you know, interest on the first mortgage bonds due October 1, has been paid, there was some doubt previously as to the company's ability to meet this obligation.

Though the difficult situation surrounding the company has been temporarily relieved, it is not wise to hazard a guess as to future operations, due to the large wheat crop there will probably be a good deal of work for the company's boats early next spring, but operations are largely bound up with the marketing of the wheat crop, a factor which shows wide variations from year to year.

Montreal Trams

Kindly let me have your opinion on the current position of Montreal Tramways. Are earnings keeping up to those reported for 1931?

Expectations are that earnings of Montreal Tramways Company will show a decline in 1932 as compared with 1931. This may affect the common stock by way of a lower distribution of dividends, but we do not anticipate that the company will have trouble in meeting interest charges on its funded debt. The bond is well regarded in investment banking circles.

Cities Service Oil

What are the chances for dividends on Cities Service Oil company securities being resumed?

Cities Service Oil Co. has a widespread organization interested in all kinds of utilities and in many enterprises for the securing of crude oil and natural gas, which are speculative in nature and which cannot realize their potentialities in the present demoralized conditions of the oil business in the United States. Under the circumstances, all dividends have been stopped for a time and all that one can do is to await patiently improvement in business generally and in the oil industry in particular.

Cities Service president claims that the failure of the securities market is responsible for present troubles to a considerable degree. The company had as usual, large plans for expansion on hand and expected to finance these by sale of securities as usual. It was unable to do this but had commitments. Its task now is to consolidate its position from earnings. Some time next winter or spring its annual report for 1932 will give some idea as to what progress it is making in this direction.

Simpson Ltd. Bonds

Would you advise selling Dominion of Canada 1934 bonds in preference to Simpsons Ltd., 5½ per cent. 1949's which were purchased at much higher than prevailing prices?

The owner of the bonds is not dependent on them for his living expenses, but wishes to use the proceeds in connection with his daughter's education.

Dominion of Canada bonds due November 1, 1934, are currently being bid at 102¼. Because of the short maturity of the bonds there will be comparatively little fluctuation in price before the principal amount is due. The Simpson's, Ltd. 5½ per cent bonds, due 1949, would tend to fluctuate in price a great deal more, due to the longer term of the bonds and the lesser degree of security attaching to it as a corporation issue.

We might point out that there has been substantial appreciation in Canadian bond prices since the panic levels of May and June, but the chief demand has been for the high grade issues, such as the Dominion of Canada bonds, with the result that prices of such securities have attained a comparatively high level.

The Simpson's, Ltd., 5½ per cent bonds are speculative in that much will depend upon the business done by the company within the next few months. If the company can secure good seasonal business during the fall and the coming winter, the bonds might appreciate considerably in view of the better earnings of the company. On the other hand if the buying power of the company's customers is not improved by better general business conditions, and if normal weather conditions do not bring out the usual seasonal buying, these bonds might go lower. The fall and winter of 1931 and 1932 were quite mild, and the summer of 1932 was quite cool, and this was not conducive to a large turnover of seasonable goods and wearing apparel. While Simpson's, Ltd. earned bond interest twice over, after depreciation in the year ended February 3, 1932, it is apparent that earnings have been on a lower scale in the past fiscal year and much may depend upon fall and winter business. It might be remembered that the Simpson's, Ltd. bonds are chiefly secured by the common stock of Robert Simpson Company, and are subordinate to the 5 per cent first mortgage sinking fund gold bonds and 6 per cent preference stock of the Robert Simpson Co.

Dufferin Paving

How are the chances for resumption of dividends on Dufferin Paving preferred stock? I have some shares.

In 1931 Dufferin Paving operations showed a deficit of $118,329 after paying $129,143 first preferred dividends and $75,000 second preferred dividends as well as $250,000 for depreciation and $45,844 for depletion. The first preference dividend was therefore only partly earned, and nothing was earned on the second preferred stock. The company had to ask second preferred shareholders to return the dividends. The present economy programmes of governments and municipalities and the drop in building may limit the company's earnings for some years.

Hinde & Dauch Paper

I notice that shares of Hinde & Dauch Paper Co. are quoted at $1.50 and would like to know if a gamble of $300 in this stock might work out profitably over a period of five or ten years. Will the company earn its bond interest this year or is there a possibility of a reorganization?

Hinde & Dauch Paper Co. of Canada as one of the chief manufacturers of fibre shipping containers and corrugated paper products in Canada, might well be expected to show an improvement in earnings with any increase in industrial activity in Canada.

Management of the company has been changed during the past year and we understand that substantial reductions have been effected in operating costs and that bond interest and possibly depreciation charges will be earned in the current year although there has not been a substantial improvement in business. In 1928-1929 the company earned bond interest by a wide margin but while interest was earned in 1930, earnings on the common stock dropped to 2½ cents per share, and in 1931 loss on operations was reported. Earnings on the common stock will tend to improve as bonds are retired.

Ottawa Valley Power

Will you be good enough to let me have your views on the Ottawa Valley Power Co. I hold a small block of bonds in this enterprise.

Ottawa Valley Power has contracted to deliver power to the Ontario Hydro-Electric Power Commission and though the latter has not taken all the power called for under its contract, this does not affect the income position of Ottawa Valley Power. This enterprise, as you know, is a joint undertaking with the Ontario Hydro and it is doubtful if any changes will be made in contracts which would adversely affect the position of the bondholders of Ottawa Valley Power.

Canadian Hydro

Would you please give me some information on Canadian Hydro Electric Corp.; I have been watching the preferred stock and it seems to be discounting some difficulty; have earnings shown a decline?

Both earnings and balance sheet position of Canadian Hydro Electric Corp. have undergone a steady improvement since the beginning of the year. At the end of June the company showed no bank loans on its balance sheet while cash position was satisfactory. All the credits advanced to International Paper and Power Co. have been cleared up and the company has no maturities to meet until 1941. In the three months ended June 30, 1932, net revenue after all charges was $762,180, compared with preferred dividend requirements of $187,500. In the twelve months ended June 30 last, consolidated revenue available for dividends was equal to $21.97 a share on the preferred. A favorable feature of the company's operations is the fact that the greater part of its output is delivered on long term contracts which would tend to assure a certain stability in earnings.

Canadian General Electric

I notice that Canadian General Electric common stock is quoted at 110 bid, the stock being of $50 par value. I haven't noticed any sales recently. What is the position of the company? The preferred shares seem to have stood up well through the depression. Which would be best for a hold?

There has not been a sale of Canadian General Electric common stock since August 29, 1932, when 115 was paid. Evidently the bid you refer to is too low to tempt holders to sell. The highest point in 1932 was 180 in April and in 1930 the stock reached a high of 420.

Although under present conditions work available for Canadian General Electric Company is at a comparatively low ebb, the company is predominant in the business, and it has a very strong financial structure. The company has paid the dividend on its 7 per cent preferred stock of $70 par value regularly ever since 1907, while its total and fixed assets have been constantly increasing and its surplus added to year by year until now it is almost $7,000,000. There are few Canadian companies with common stocks better buttressed than this by earnings and surplus. Since 1906 it missed common dividends only from 1925 to 1929 inclusive. It added heavily to surplus in the last three years of this period. The company is continually adding to its lines.

C. I. I. T.

Among my holdings are some preferred and common shares of Canadian International Investment Trust. When was the last dividend paid on the preferred and do you know if the company has made any headway this year?

Like other investment trusts, Canadian International Investment Trust has felt the effects of the wide decline in security values. At the end of the last fiscal year on February 29, 1932, market value of investments was $2,657,465, compared with a cost value of $3,889,881. Income has tended to shrink this year. Directors have taken no dividend action since the end of 1931 and no interim figures on earnings have been published yet. The company holds a well-diversified list of investments but any improvement in its position must depend upon higher share values in the stock market.

Speculating to Pay Mortgage

I owe $2,500 coming due early next year on a second mortgage on a house which I had built. I don't seem to be able to interest the large companies in lending me money to pay off part of this amount. I have $1,500 on hand but will find it hard to save enough to make up the balance. I notice that International Nickel doubled its value this year from the low point to the high point. Would it be a good thing for me to invest this $1,500 in Nickel in order to get the $2,500 quicker? Would it be safe to buy on margin so that the profit from a rise would be greater?

You would be making a great mistake to attempt to get money by speculating in the stock market. It is possible that Nickel might climb but money so invested would be subjected to every unforeseen market influence that might come in the meantime. If you borrowed in order to buy your Nickel, you would be just that much worse off, even with a temporary setback in the market.

In your case we would not advise investing in any securities until your problem with regard to the house is solved. An investment programme should deal with surplus money and not with funds like yours which should be kept inviolate for the debts you have to meet. Save all that you possibly can and your difficulties will be less when the due date comes.

The holder of the second mortgage should be willing to give more time if he gets $1,500 paid off.

International Coal & Coke

What are the prospects of International Coal & Coke Co. common stock? I have some shares. Should I sell or hold?

The dividend record of International Coal and Coke Company on its 3,000,000 shares of $1 par value common has been somewhat irregular. No fixed rate or date of payment exists. The last payment was on February 15, 1932, to shareholders of record as of February 1, 1932. No dividends were paid in 1931 or in 1930, while 4½ was paid in 1929, 6 per cent in 1928 and 2 per cent in 1927. For the four preceding years there had been nothing paid but in the preceding 12 years dividends had been paid in most years. The company's working capital is strong. It earned less than a cent a share in 1931 and in 1930, but four cents in 1929. Improvement in conditions in Western Canada would be a benefit.

Algoma Steel

I presented a coupon of Algoma Steel Corp. 5 per cent bonds for payment but the bank returned it. Has the company been declared bankrupt. If so has a protective committee been formed and what are the plans for the future?

Following petition of a creditor, a winding up order in bankruptcy was granted against Algoma Steel Corp., in June last. The Chartered Trust and Executor Co. has been appointed liquidator.

No protective committee of bondholders has yet been formed and we have not been able to obtain any information on prospects for such an undertaking. No plans for a reorganization of the company have been put forward but our understanding is this is being delayed until some improvement is shown in the steel industry. Eventually it may be supposed that a complete capital reorganization of Algoma Consolidated Corp. will be effected; owing to the key position of Algoma Steel in the composite structure it may be expected that interest of that company's bondholders will be a prime consideration.

Canada Cement

Would you please give me some information on Canada Cement Co.? I have considered the purchase of some of the common stock which I notice is selling at a low point. Have earnings declined and what are future prospects?

Earnings of Canada Cement Co. have fallen off this year due to slackness in the construction industry. The company produces about 80 per cent of all the cement manufactured in Canada, but until building shows an upward trend demand for cement must remain at a relatively low level. The company in recent years has improved its properties considerably and given better business conditions should be able to strengthen its position. Dividends on the preferred stock have been deferred.

Donnacona

I hold a first mortgage bond of Donnacona Paper Co. I notice interest is not being paid; is there any hope for the bondholders?

As you are doubtless aware, Donnacona Paper Co. has recently passed through a process of reorganization by which control of the company has been vested with the first mortgage bondholders through the issuance of class "A" shares in satisfaction of the waiving by bondholders of certain rights. These include cancellation of semi-annual interest payments, annual sinking fund installments, and similar modifications. The position of the company, however, has been clarified under the reorganization plan and though bondholders are asked to forego their interest payments for a period, the future prospects of the company are not altogether discouraging.

TOOKE BROTHERS SALES REFLECT SEASONAL TREND

Christmas Orders Speed Activity in Plant Operations

From Our Own Correspondent

MONTREAL.—Seasonal upswing in business of Tooke Bros. has become apparent. Orders for the Christmas trade are making their appearance though it is yet too early to estimate final turnover for the holiday.

The company is making a strong bid for business. Sales of ordinary lines have tended to fall off but this has been offset to some extent by introduction of novelties and special ensemble offers which are proving popular today.

The box factory is also busy. This unit supplies large quantities of fancy boxes for the Christmas trade; special packages have become an increasingly important factor in merchandising in recent years. Tooke Bros. orders in this connection have been fairly substantial.

Sales Down Last Year

In the last fiscal year ended June 30, 1932, sales were down about 30 per cent in dollar value and 17 per cent in units compared with the previous year. Operations resulted in a loss of $27,880 and the net deficit was $126,800. This included a write-off of $47,416 for bad debts.

Output of Tooke Bros. is perhaps most closely identified with its production of shirts but output also includes collars, neckwear, underwear and similar lines of haberdashery. Through a subsidiary the company manufactures handkerchiefs and paper boxes.

Radio Licenses in Quebec Greater Than Year Ago

Private radio receiving licenses issued during the 1932-33 fiscal year to the end of August numbered 509,305, compared with 598,358 issued during the entire 1931-32 fiscal year. Quebec with 144,836 issued this year to date compared with 127,804 during the previous fiscal year was the only province to show an increase.

Figures by provinces are:

Private Radio Receiving Licenses Issued	1932-33 to end August	1931-32 Fiscal Year
P. E. I.	872	1,189
Nova Scotia	17,587	21,109
New Brunswick	12,264	13,256
Quebec	144,836	127,804
Ontario	208,420	285,048
Manitoba	34,208	35.262
Saskatchewan	21,903	31,487
Alberta	23,787	27,401
Br. Columbia	45,389	55,534
Yukon	39	188
	509,305	598,358

Fruit Juice Exports Gain

Ontario fruit growers and those who process fruit are noting the fact that Canadian fruit juices and syrups are taking well in Great Britain this year. The quantity sent there in the first five months of the present fiscal year was 204,367 gallons as against 118,889 gallons in the corresponding period last year. Fresh fruit exports have also increased.

Consider Port Development Plan

Plans for the greater development of the Port of Saint John, as an all-year-round port, are being considered, following a meeting of citizens called by Mayor Brittain. A definite programme of expansion is to be formulated.

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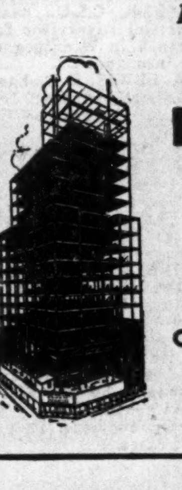

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JUDGE DECLARES REBATING LAWS ARE ULTRA VIRES

Hamilton Decision Causes Big Stir in Insurance Circles

HITS CRIMINAL CODE

Local Magistrate Finds Sections on Rebating Not Now Within Federal Purview

When Magistrate Burbidge of Hamilton, Ont. declared in a local judgment last week that the section of the federal criminal code relating to rebating of insurance premiums was ultra vires, he did something which threatens to cause wide reverberations in insurance circles.

"Rebating" as most people know, is when one purchases insurance from an agent and in return for bringing him the business, the agent agrees to split his commission. Many people may not know it, but sub-sections b. and c. of section 508 of the criminal code specifically name this as a criminal offence. The section has been seldom tested in Ontario, however, the very fact of its being there having proved apparently a deterrent to rebating on any wide scale. In recent years there have only been two convictions handled through the Ontario insurance department, and in each case the agents pleaded guilty.

Covered Automobile Fleet

In this case, Carl J. Jennings, one of the leading insurance salesmen in Hamilton sold a policy to Fred T. Brooks covering a fleet of automobiles. The premium was $406.80 and it was alleged that a rebate of $80.84, or one-half Mr. Jennings commission, was allowed. The case was heard over two weeks ago and judgment reserved. The defense claimed that the amount, which had been endorsed on the policy, was for a merit rating.

According to local press reports, Magistrate Burbidge in dismissing the case, said:

"There is ample evidence to bring the accused within the purview of the section. The rebate, however, is covered by an endorsement on the policy.

"There are one or two questions of law which came up during the trial. The first is that of inducement. The inducement which must have acted upon the mind of the assured is that of the low policy. This, however, is only a small matter.

"The second question is whether the section is within the power of the parliament of Canada. On this point, there is no doubt in my mind that the section is ultra vires.

Not Criminal

"This matter of rebate is not inherently criminal nor is it immoral. It is in the nature of a discount and is essentially, in this case, a matter of insurance contract. This matter of contract is one that is within the complete jurisdiction of the province and the parliament of Canada cannot encroach upon the province's rights when it is a matter of complete provincial jurisdiction.

"I therefore find the accused not guilty."

Of course the case is being appealed and the appeal is likely to be heard within a week or two. If the appeal is not upheld, insurance officials fear that the business is in for a heavy siege of rebating until such time as new provincial legislation can be drafted to cope with the situation. This would not be until next spring when the provincial legislature meets, it is thought.

Sections Quoted

The section of the criminal code dealing with rebating is as follows;

"(b) Any insurance company or any officer, agent or representative thereof who makes or assumes to make any stipulation or agreement which is intended to operate as a part of any insurance contract to which the company is or is to become a party, whether in respect to the amount, terms or conditions of the insurance, the premium to be paid or otherwise, except such as is plainly expressed in the policy issued in the case: or

"(c) Pays, allows or gives, or offers to pay, allow or give, directly or indirectly, as inducement to insure, any rebate of the premium stipulated by the policy to be payable, or any special favor or advantage in the dividends or other benefits to accrue therein, or any advantage by way of local or advisory directorship unless for actual service bona fide performed, or any paid employment or contract for service of any kind, or any inducement whatever intended to be in the nature of a rebate or premium;

"1. Shall for the first offence be liable to a penalty of double the amount of the annual premium chargeable upon the application or policy in respect of which the offense is committed, etc.

The section of the criminal code previous to the one above quoted, section 507, which made it a criminal offence for companies not in possession of a federal license to carry on business in Canada, has been declared by the privy council to be ultra vires.

Berwick Company Extends Plant

An additional unit known as the bottling and shipping warehouse is under construction for the Berwick By-products Company, at Berwick, and it is understood the plant is nearing completion sufficiently to commence distilling operations by the end of the year.

Dugal Plans Legislation To Curb Credit Evil

Puts Problem Squarely to Ontario Insurance Agents at Annual Convention—Proposed Act Outlined

By B. ARTHUR DUGAL, Quebec Superintendent of Insurance
Address to Ontario Fire & Casualty Agents at Toronto

If you study the origin of the credit and free insurance system, the reasons for which it was begun, and is still being continued, you will find out that it was started as a competitive means between companies that are associated for all purposes, and as an intensive but non-recommendable system of getting business, directly at the expense of the policyholders.

If it is possible for the life insurance companies to collect annually in Quebec over $50,000,000 in premiums on a 30-day credit basis, why is it not possible for other than life insurance companies to collect about $25,000,000 in the same manner. Other than life insurance business is a cash business. If you cannot sell it on that basis, then do like life insurance companies, sell it on the installment plan by weekly, monthly, quarterly, semi-annually or annual payments.

Premiums Belong to Policyholders

Who is the owner of a premium the moment it is paid either to the insurer or its agent? Is it the agent or the insurer? No, the policyholder is, so much so that it has to be put to his credit as a reserve on the liability side of the balance sheet of the insurer, who acquires it by twelfths, twenty-fourths or thirty-sixths, as the case may be.

I recognize the right of the insurer to give credit to its agent, as also the agent to his client, provided, in doing so, it uses its own funds and own means of financing, and not the funds of the policyholders. If I pay a premium today to an agent, it is with an understanding that he will remit same immediately to the insurer. I object if the agent uses money to remit to the insurer for another premium he collected from another policyholder three or four months previous, for which he did not remit.

Is Legally Liable

I object, too, if he holds it three or four months for his own personal use. Such an act is almost of the nature of what we call in Quebec "detournement de fonds," an act which is strictly forbidden by the Civil Code, which penalizes the perpetrator by jail imprisonment. The agent is the go-between the insurer and myself. According to the laws of Quebec, in accepting my money, he is agreeing to execute a mandate, which is to deliver that money to the insurer on my behalf in the shortest possible time. He has no legal right to keep it several months and the insurer has no legal right to permit him, through a contract, to keep it for any such length of time and it would be interesting to get a court' decision on this point. I may take the means to have a test case made. Our Civil Code has a chapter enacting about mandates and I have no doubt that it applies to insurance agents' contracts and the collecting of premiums in connection therewith.

My proposition of legislation for Quebec to eradicate the two evils as far as possible and without creating too much disturbance in the present system of credit, which has been in existence for such a long time is:

(1) An agent shall remit to the insurer premiums collected during one month not any later than the last day of the month, following the date on which they were collected. Please note that I am not speaking of premiums not collected.

(2) If on the 60th day following the date of issue of the coverage the premium has not been settled for in some way with the agent or the insurer, the policy shall ipso facto be cancelled. This provision is to help the agent collect. Statutory conditions of the policy will be amended to that effect and, interim or renewal receipts and the policy shall have printed in large letters in red ink in a conspicuous place on the face of same a notice to that effect. This is for the policyholder who nine times out of ten never reads the document except what is on the face of it.

(3) Associations of insurers and agents are asking for a law to declare that premiums in the hands of agents shall be of the nature of Trust Funds and subject to law enactments as to same and penalties as to contravention to same. I shall discuss this point later.

(4) Any legislation of that nature must not become law except on proclamation of the Lieutenant-Governor-in-Council, so as to give all a fair length of time to reorganize their credit and agency system so as to comply with the law.

Before I accept this proposed idea of trust fund I shall think it over. I am very strict about agents and brokers. I have done and shall continue doing everything I can to eradicate the bad element of the profession, but I do not want through law to make criminals of agents who are only the victims of a non-recommendable and unbusinesslike system of credit, which has been in existence so long that it has become accepted by all as being quite in accord with sound business principles.

Evil Does Exist

Now, gentlemen, are the evils existing or not? You know that they are and that you and the insurers and the public suffer from them. During last year I proved in the Quebec Assurance Service Magazine that they do exist. Companies, managers, underwriters barristers, etc., in unsolicited letters to me say they do exist. Hundreds of cases compiled by my department were stated. I returned to Quebec from Winnipeg on September 17 last and I left Quebec on Oct. 10 to come up here. During those twenty-three days I received complaints of premiums collected and not remitted amounting to approximately $37,000. They were all similar cases—premiums collected and not remitted outstanding from four to seven months.

Pick up the Ottawa Blue Book—1931, other than life insurance, note the figures of agents' balance debits from the insurers individual balance sheet, compile them and you will find the following results:

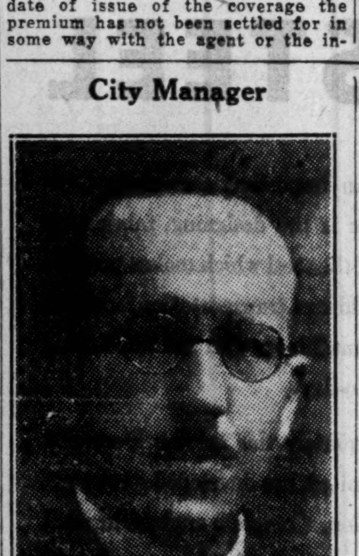
	Older than 3 mos.	3 mos. old and less
Fire insurance	1,631,995	11,677,044
Other lines except life	119,540	886,170
	1,751,535	12,563,214
Grand total		$14,314,749

Compile the figures for the past five years and you will find out that the results are just as startling. It is also an admitted fact that 30 per cent of the policies issued are cancelled flat.

Now, gentlemen, are credit and free insurance evils existing or not? I say that they are. What are we going to do about it? You are more interested in the question. Your concerted influence in a solid front toward the insurers would be a mighty strong representation. They cannot transact business without you. You are indispensable to them—no underwriters means no insurers.

Shall the remedial measures be applied through self-decreed rules or by legislation. It is for you to say. I shall await your answer.

City Manager



ALLON PEEBLES

Appointed city manager at London for the Northern Life Assurance Co. of Canada. For four years he has been field secretary of the National Committee of the Cost of Medical Care at Washington.

Insurance Inklings

R. H. OLAND has been appointed branch manager at Halifax for the North American Life Assurance Co. G. A. Little, former manager at Halifax for the company, will be associated with Mr. Oland as city manager.

J.C. WILSON, for 18 years manager of the Victoria office of the Great West Life, has retired. J. R. NICHOLSON of the Regina agency of the company will succeed Mr. Nicholson.

J.McCAUGHEY has been appointed resident inspector at Ottawa of the General Accident Assurance Co. of Canada. He was formerly inspector for Central Ontario for the company.

ROY V. CURTIS has been appointed chief claims adjuster of the General Accident Assurance Co. of Canada.

T. H. BELL has recently been appointed superintendent of agencies for the General Accident Assurance Co. of Canada. He was formerly chief claims adjuster for the company.

Manufacturers Life Assurance Co. feels it has a record in the three Waldron Brothers, all of whom are chartered life underwriters. The three brothers, Fletcher, aged 34, Keith, aged 31, and Norris aged 28, come from a life insurance family, their father, the late L. W. Waldron, being for 35 years representative of the Manufacturers Life.

FLETCHER WALDRON is a field representative of the company at Hamilton. Keith Waldron is agency assistant in the older of the company's two branches in Toronto, Norris Waldron received his C.L.U. degree in August of this year

P. L. HYDE has been appointed Calgary branch manager of the Northern Life Assurance Co. Mr. Hyde formerly resided in Regina.

W. R. FISHER, C.L.U., has been appointed district supervisor for the Ordinary branch in Winnipeg of the London Life Insurance Co.

SIDNEY S. LEWIS, B.A., has been appointed district manager for the Sovereign Life Assurance Co. in Kitchener, Ont.

ERNEST F. GUNTHER has joined the firm of Bird & Talling, Ltd., Vancouver, as manager of a newly formed insurance department. Bird & Talling, Ltd., have previously specialized as bond brokers and investment council.

D. A. KLEINBERG of No. 1 Toronto branch of the Manufacturers' Life Assurance Co., has just finished writing fifty completed applications in two weeks—an average of more than four for each working day. Each one of the applications was secured personally by Mr. Kleinberg there being no group or salary deduction insurance involved. They were all individual cases.

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FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
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Agents required in Ontario
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Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

Current Events in Banking World

NEW OFFICIAL OF BANK COMMERCE BORN IN HOLLAND

H. P. van Gelder Has Wide Experience — Heads Foreign Branches

In the staff records department of the Canadian Bank of Commerce at Toronto is a neat, old-fashioned photograph of a fair-haired young man dressed in smart black suiting with wide black tie and open-winged collar.

The photo was taken in New York nearly 30 years ago and was acquired by the bank in the ordinary course of business when a young Dutch banker of 22 applied for a job at the bank's New York agency.

The young man was H. P. van Gelder and a week or two ago, after wandering far afield in the bank's service for over two decades, he returned to head office to take over a newly-created office of Superintendent of Foreign Branches.

Born in Holland

Born in Holland in the 80's, van Gelder entered the Bank of Amsterdam at the age of 18 and after three years in that institution, turned westward to gain experience in the banking houses of the new world. He came to New York in 1902 and on April 6, 1903, joined the staff of the Canadian Bank of Commerce in that city. He meant merely to gain a few years experience in the methods and ways of bankers on this continent but the lure proved too strong, and he has never returned to the land of his birth, except to visit friends and family.

In 1910 he was moved to the bank's branch in Mexico and a year later to San Francisco. The next year he was promoted to the assistant accountancy at Vancouver where he gained added experience for another twelve months. In 1915 he was promoted to accountant at Victoria, a position he retained until 1917 when he was called to be assistant supervisor of the bank's foreign department at head office. S. H. Logan, present general manager of the bank had been put in charge of this newly-created position and Mr. van Gelder proved an apt pupil under an able teacher. When Mr. Logan in 1923, moved a step further up the banking ladder and was sent to head the bank's New York agency, Mr. van Gelder was placed in full charge of the department.

On May 29, 1925 he in turn received well-merited promotion and was appointed manager of the bank's office at Rio de Janeiro.

Returns to Head Office

Now after seven years of fine banking service in the bank's South American outpost he returns to head office. Well over six feet in height and master of six languages he brings to this newly-created office an all-important prerequisite of office, namely an intimate "grass-roots" knowledge of the foreign field in which the Bank of Commerce operates. He will have supervisory charge of the bank's five offices in the United States, namely, New York, Portland, Seattle, San Francisco and Los Angeles; the Bridgetown branch at Barbados; the Havana branch in Cuba; the Kingston branch in Jamaica; the Port of Spain office in Trinidad; the Rio de Janeiro branch at Brazil; the Mexico City branch in Mexico, and also the London, Eng. office.

Under the new set-up the bank will now have eight superintendents. These in addition to Mr. van Gelder, follow: William Hogg, head office; M. D. Hamilton, Pacific Coast; J. B. Corbet, Alberta; H. F. Liggins, Saskatchewan; E. E. Henderson, Manitoba; G. G. Laird, Quebec and W. V. Gordon, maritime provinces and Newfoundland.

Foreign Superintendent

H. P. van GELDER

Appointed to the newly created office of superintendent of foreign branches of the Canadian Bank of Commerce.

MONEY INFLATION URGED AT OTTAWA BY PROGRESSIVES

Rt. Hon. R. B. Bennett's sound money policy got whole-hearted criticism from progressive members of the House of Commons recently. George G. Coote introduced an amendment to the address in reply to the speech from the throne, and urged currency inflation as the only means of raising commodity prices. He was strongly backed by Agnes MacPhail of South Grey and other progressive and third party speakers.

Commenting on Prime Minister Bennett's "sound money" dictum, Miss MacPhail said: "I think he might have left out the word 'sound' and been equally accurate; the government stands for money, high interest rates, and deflation. Taxation does not bear heavily upon the money classes, but it does bear heavily on the workers. The Prime Minister stands for money, I stand for the people."

Praises Australia

Mr. Coote pointed out that if Canada had adopted the same currency basis as Australia, No. 1 hard wheat would be worth at prairie points 60c. a bushel and 80c. on the basis of Fort William prices. All Canada's troubles would disappear he believed if the national currency were placed on a par with sterling. This move, he thought, would result in the employment of 100,000 more men on the land which accounts for an increase of purchasing power in the country. He did not believe a change in the government's money policy would be an economic cure-all.

Bank Chat

Canadian Bank of Commerce announces the following staff changes:

BRADWARDINE, MAN.—This sub-agency to the Kenton, Man. branch will be closed on Oct. 31.

KENTON, MAN.—Commencing Nov. 1 this branch will be closed on Wednesday of each week.

LENORE, MAN.—Commencing Nov. 1 this sub-agency to the Kenton branch will be open for business on Wednesday of each week.

S. K. CAMPBELL, inspector at head office, has been appointed senior assistant manager at Montreal.

HEDLEY HILL, formerly assistant manager at Montreal, has been appointed manager at Portland Ore.

What Editors Say of Banks

Bankers and Credit Reform

Edmonton Journal.—Will the bankers of Canada lead the way in correcting certain weaknesses in the present credit system of the country or will they delay their own informed initiative until the pressure of agitation has led parliament into making changes that may be more radical than sound?

This is indeed a pertinent question today. Saskatchewan has appointed a commission to study and recommend changes in the bank act which that province may urge at the coming session of parliament. Alberta plans to give expression to its views on necessary amendments. Criticism of the Canadian banking system at the recent convention of the Trades and Labor Congress of Canada is but a further indication of a widening feeling that certain changes in that system are overdue.

Present advocates of change range all the way from those who favor complete nationalization of credit to those who recognize the inherent strength of the Canadian system and believe that strength should be retained with such modifications as would meet reasonable criticism and the legitimate needs, as far as is wisely and safely possible, of present and future conditions.

The Journal has indicated frequently its own belief in the inherent strength of the Canadian banking system. But like many other defenders of the system, it is not blind to certain weaknesses which could be corrected if taken in hand by those who believe in the fundamentals of the system and have the necessary knowledge of banking that would enable them to apply the right corrective measures. Chief among present weaknesses is the tendency toward over-expansion of credit in days of prosperity and over-contraction in times of adversity.

None know the Canadian banking system better than the bankers themselves. None are more interested in stemming the present agitation for nationalization of credit. They will serve their own interests by using such knowledge as a basis for initiative in meeting such criticisms as have any sound basis, and in particular in devising some system of controlling credit against both over-expansion and over-contraction.

Evidence accumulates to indicate that when the Banking Act is up for revision at the coming session of parliament the demand for radical revision will be more widespread and more intense than ever before. That is perhaps an inevitable result of the accidental synchronizing of this periodical revision with the depression. But the fact they are concurrent makes it all the more necessary that the bankers themselves should take early and effective steps along the lines indicated.

ENDORSE PROPOSAL FOR NATIONAL BANK

B. C. Liberals Favor Use of National Credit for People's Good

Establishment of a national banking system and a system of controlled inflation was endorsed at the convention of the British Columbia Liberal association, held in Vancouver recently.

Calling the attention of the Canadian parliament to the increasing seriousness of the existing economic situation, the resolution continued, "as a means of creating and maintaining the circulation of essential purchasing power, national credit should be used in order to relieve the existing burden of taxation, unemployment in labor, industry and capital, and to assist in the prosperity of the Canadian people."

The preamble of the resolution noted that the parliament of Canada "enjoys an exclusive jurisdiction in the matter of the creation, issue and circulation of money and credit purchasing power" and the resolution closed with the suggestion "that there should be promulgated a plan of definite credit co-operation between the national, provincial and municipal governing authorities and the Canadian banking system."

Product of Inland Fisheries

Production of whitefish in 1931 from Canada's inland fisheries totalled nearly 15,786,000 pounds. The catch had a marketed value of about $1,445,000.

SUDBURY ADOPTS UNIFORM CHARGES CURRENT ACC'TS

New Scale Sanctioned By Clearing House Now Effective

A reporter on the Sudbury Star has discovered that the banks in that community have adopted a uniform charge for administration of current accounts. The charges have been sanctioned by the Sudbury Clearing House and apparently became effective in September.

The details of charges levied and how they work out in actual practice as narrated by the Sudbury Star, are as follows:

"At the beginning of September our reporter opened a current account in a Sudbury bank. On Oct. 1, when he called to get his September cheques, he was informed that he had to pay 85 cents, as he had issued ten cheques during the month. As his average daily balance was $50, he was requested to agree to this charge.

The following scale has been established on an average daily balance of $50: For five cheques issued a month, 35 cents; 10 cheques, 85 cents; 15 cheques, $1.10; 20 cheques, $1.35; 30 cheques, $1.85; 50 cheques, $2.85; 75 cheques, $4.10; 100 cheques, $5.50; 150 cheques, $8.35; 200 cheques, $10.85; 300 cheques, $16.00, and 500 cheques, $26.00.

"At five per cent, this account will net the bank a monthly profit of 18 cents, and the client has a loanable daily balance of $42.50. Should any balance be less than $50 there is an extra charge of 20 cents.

"A scale has also been established for average daily balances of $75, $100, $150, $200, $250, $300, $400, $500, $750, $1,000 and $2,500. On the last mentioned account, the monthly profit for the bank is set at $8.85. No charges are made on the number of cheques issued under 200. For from 200 to 300 cheques the bank will charge a flat rate of $2.00, with $7.25 for 300 cheques, and $17.25 for 500 cheques."

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Winner of Wilkie Award Queen's University Grad.

J. C. INGRAM

J. C. Ingram, winner of the D. R. Wilkie bank scholarship essay compe- one of those rather too rare figures in common, everyday banking—a college graduate.

Mr. Wilkie hails from Wolseley, Sask., and is a graduate of Queen's University. He won his B. A. degree at the age of 20 and his M. A. a year later, specializing in economics. He entered the Bank of Commerce at Prince Albert in his twenty-first year. He is also a winner of the Crown Foundation prize at Queen's. Now at age 24 he is attached to the savings branch of the Canadian Bank of Commerce at Winnipeg head office, having been transferred there in April of this year.

The Wilkie essay scholarship is competed for annually and is open to anyone employed in a Canadian bank. The subject of this year's competition was "Inter-Empire Trade."

Oak Lake Anniversary

Sunday, October 16, marked the thirtieth anniversary of the Oak Lake, Man. branch of the Bank of Montreal. The branch was first opened on October 16, 1902, in a two story frame building under the management of J. B. Wallace. Later a commodious two story brick building was erected, and Mr. Wallace was succeeded by H. M. Anderson, and managers following included: J. L. Clarke, R. C. Naylor, R. N. Bell and H. A. Doak. L. E. Hodgins is the present manager.

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY
Head Office — Waterloo, Ont.
Assets (Dec. 31, 1931) $ 8,125,139
Policy Reserves 6,846,054
Insurance in Force ... 51,355,672

THE Western Empire Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

Since 1847 it has become one of the strongest financial Institutions in Canada
The CANADA LIFE

PROTECTION for POLICYHOLDERS
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Est. 1884
Total Assets $1,625,156
Dominion License
Non-Assessable Policies
THE PORTAGE MUTUAL INSURANCE CO.
Sound underwriting and conservative investment policy of this Company make for permanent strength and confidence.
THE PORTAGE LA PRAIRIE Insurance MUTUAL Company
Portage la Prairie Toronto Montreal Edmonton Vancouver

SOLID AS THE CONTINENT
At a time when people think primarily of security and when there is such vital need for protection against the future, Life Assurance is the best and in most cases the only means of securing it.
ESTABLISHED 1881
SOLID AS THE CONTINENT
A MUTUAL COMPANY
ALL PROFITS PAID TO POLICYHOLDERS
The North American Life, a purely mutual company, returns all profits to policyholders and has $118 for every $100 liabilities. It is one of the strongest financial institutions on the Continent.
ASSETS $46,855,113
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NORTH AMERICAN LIFE

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BRITISH AMERICA ASSURANCE COMPANY
ESTABLISHED A.D. 1833

Now we are sure of a Nest Egg for our later years
It takes only a few minutes now and a few dollars each month to make absolutely sure of financial independence in the sunset of your life. You can plan to do things and to go places, instead of worrying about financial matters when your earning power begins to decline.
The Great-West Prosperity Policy
is specially designed for those who desire financial independence at 55 or 60. You can have an income of $100 a month for life when you are sixty—plus substantial accumulated profits. Your family is also protected in the event of your early death. This policy is one of the soundest, most satisfactory and profitable investments a man can make.

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Without obligation, please mail complete information about The Great-West Prosperity Policy.
Name........
Address........
Mail this coupon to-day
THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE WINNIPEG

CANADA FORGINGS PLANT ACTIVITIES AT LOW LEVELS

Heavy Foundry Division Reflects Situation in Steel Industry

From Our Own Correspondent

MONTREAL.—No improvement in operations of Canada Foundries and Forgings has been reported this year. Demand for all heavy foundry work has fallen to a low ebb and the company, in common with the rest of the steel industry, has been operating its plants at a low rate of capacity.

Much attention has been directed toward reducing costs; all items of expense have been carefully scrutinized and substantial savings have been effected. Despite this, however, it is doubtful whether income for the current year will show any improvement over 1931.

Operating Loss in 1931

Last year operations resulted in a loss of $84,890 which was increased to $69,828 after payment of administration expenses and fixed charges. Dividends, now suspended, brought the total deficit for the year to $98,628 and balance forward was $342,107.

Fortunately funded debt has been reduced in recent years; at the end of 1931 there were outstanding $178,400. Interest charges only amounted to $11,081. Balance sheet showed no bank loans and current assets of $714,224 compared with current liabilties of $53,374.

Canada Foundries manufactures heavy forgings at Welland and through a subsidiary, James Smart Manufacturing Co. at Brockville, produces a wide line of hardware.

PRICE BROTHERS BOND PROSPECTS STILL UNCERTAIN

Further Difficulties Met in Efforts to Procure Interest Funds

From Our Own Correspondent

MONTREAL.—Delay in negotiations with representative bondholders, coupled with reductions in newsprint prices have made for difficulty in raising funds to pay interest which was due August 1 on bonds of Price Brothers and Co. The company has advised shareholders that directors are making every effort to procure funds but point out that if interest is not paid before October 29 default would entitle bondholders to take steps to enforce under the terms of the trust deed the security provided for their bonds.

Outlook for the holders of the $11,513,600 of 6 per cent first mortgage bonds of Price Brothers and Co. has varied since interest payments were not met on August 1. At one time hopes ran high that funds would be procured but recent occurrences in the newsprint industry which have broken prices down to new low levels have tended to weaken prospects.

Bondholders formed a protective committee in August last and a month later it was announced that preferred shareholders had also organized a committee to protect their interests.

Statement to Shareholders

Following is an official statement by Price Brothers and Co. outlining the present situation to shareholders:

"Until recently the directors felt warranted in expecting that the efforts being made would be successful. Delay in procuring from representative bondholders an undertaking to recommend certain concessions which would facilitate the raising of the necessary moneys, coupled with reductions in the price of newsprint, have, however, rendered the task of the directors more difficult. While up to this date the efforts put forward have not been successful, negotiations are nevertheless continuing. It is impossible to say whether the desired object will be accomplished. The directors will in any event make every effort to protect the interests of the shareholders."

Pref. Dividend Of Silverwood's Well Covered

In the six months ended October 8, 1932—the first half of its fiscal year—Silverwood's Dairies, Ltd., had net earnings high enough to cover dividend requirements on the preferred stock after provision for depreciation and miscellaneous prior obligations. The 7 per cent dividend on preferred stock outstanding of $3,332,500 would require $116,638 for half a year, and if depreciation and other deductions were the same as last year, this official statement would seem to indicate that profits are about even with the same period of last year.

A. E. Silverwood, president, confirms the statement made in The Financial Post special food number of October 22 that the sales of debentures of the company do not in any way increase the obligations of the company ranking ahead of the preferred stock. The proceeds of these sales, of which 63 per cent were for cash, are being used to retire bank loans and to provide funds for retirement of miscellaneous liens and mortgages inherited with the acquisition of various subsidiary companies.

Debentures contracted to be sold now total $130,000, and the interest payable on these will be offset by savings in interest paid on other obligations previous to the latter being paid off. The total of bank loans, miscellaneous bonds and mortgages and notes were $940,430, a net decrease of $232,640 from the total of similar obligations at the time of the last previous report

Gold Production in Canada

Gold production in Canada during July totalled 247,894 ounces, a decline of 8.4 per cent from the record June output of 270,526 ounces, but an increase of 8.8 per cent over the July, 1931, production of 227,898 ounces. During the first seven months of 1932, the Dominion Bureau of Statistics reports, the Canadian output of gold amounted to 1,748,714 ounces valued at $36,149,126, an advance of 16.9 per cent total for the corresponding period of the previous year.

Spurned Escape From Rail Burden

Canada Had Ample Opportunity to Evade Enormities of Problem But Refused Them All

By F. S. C.

"If in 1903 the Grand Trunk Railway Company in the east and the Canadian Northern Railway Company in the west, had been told they must come together and constitute a sound transcontinental line, the country would not have been called upon to face the present gravely alarming situation. . . ."

This is one of the most revealing sentences in the report of the Duff Railway Commission, the second important Royal Commission to study the Canadian railway problem.

But it recalls only one of the many opportunities Canada has had to escape its present crushing railway burden.

On November 20, 1931, Prime Minister Bennett appointed the following gentlemen as commissioners to inquire into the whole problem of transportation in Canada:

Rt. Hon. Justice Duff, Ottawa.
Rt. Hon. Lord Ashfield, London, Eng.
Sir Joseph W. Flavelle Bart., Toronto.
Beaudry Leman, Montreal.
L. F. Loree, New York.
W. C. Murray, LL.D., Saskatoon.
Dr. J. C. Webster, Shediac, N.B.

They reported recently. To the younger generation of citizens in Canada it may serve to indicate the age and virility of the so-called railway problem in Canada, to recall that the Drayton-Acworth report of fifteen years ago was entitled:

"Report of the Royal Commission to inquire into railways and transportation in Canada."

The report of the Duff Commission bears the same title, exactly, except for the addition of the words "1931-1932."

Parliament to Blame for "Tragedy"

Upon the Parliament of Canada the present report lays the responsibility for the "tragedy" of three transcontinental railways. The report outlines the history of the promotion and financing of the Canadian Pacific, the Canadian Northern and the Grand Trunk Pacific and makes it clear that many of our railway lines were contractors' rackets, politically aided and abetted.

Decisions of the Canadian Parliament led to two new transcontinental railways being constructed in addition to the already established Canadian Pacific Railway:—

"The first, by authorizing the construction of the Grand Trunk Pacific Railway from Winnipeg west to the Pacific coast, which was financially assisted by important guarantees by the federal government, together with the construction of the National Transcontinental Railway from Winnipeg east to Moncton, via the city of Quebec, as a public enterprise at public cost. At Moncton the new line would connect with the Intercolonial, through to Halifax, and also give access to the port of Saint John, N.B.

"The second, by authorizing the Canadian Northern Railway (which received substantial cash subsidies from the Dominion government, and guarantee of securities) to continue its line westerly from Edmonton to the Pacific coast, and to extend its line easterly from Port Arthur through the provinces of Ontario and Quebec."

Says the Duff report: "Thus there developed by the authority of the Parliament of Canada, the tragedy of three transcontinental railways (providing, with branches, over four thousand miles of unnecessary lines), when two were all the business of Canada required or could support."

War Brought Financial Difficulties

The war brought financial distress to the Canadian Northern Railway and its subsidiaries, and to the Grand Trunk and Grand Trunk Pacific Railways. Canada's railway problem stalked menacingly on the national stage. Courage and foresight on the part of the statesmen of the day could have solved it. But all the intellectual forces of government were diverted to winning the war. And few of the politicians believed the financial troubles of the railways to be other than temporary and the product of war.

In 1916 the first of our two Royal Commissions on Railways was appointed to report on "the general problem of transportation in Canada." The commissioners were Sir Henry L. Drayton, William M. Acworth and A. H. Smith.

Let us see if we can in one paragraph summarize the railway situation in Canada as the 1916 Royal Commission found it:

The growth in railway mileage had far outstripped the growth of population. The C. P. R. alone was earning a fair return on investment. The Mackenzie-Mann promoted Canadian Northern had been built largely out of public subsidies, loans and guarantees. The Grand Trunk Pacific line in the West had been built by a private company but almost entirely with public money. The National Transcontinental was already a white elephant. By means of its guarantees of G. T. P. debentures, the G. T. R. was bankrupt. Neither the C. N. R. nor the G. T. R. could carry on alone.

Recommended Merger of Five Lines

The chief thing that Sir Henry Drayton and William M. Acworth recommended was that a merger should be effected of the Grand Trunk, Grand Trunk Pacific, Canadian Northern, Intercolonial and National Transcontinental Railways. An independent company managed by government appointed trustees, not subject to direct parliamentary control, was to own the lines. The government was urged to assume the interest burden of all the lines and not to permit them to go into receivership. A minority report by A. H. Smith urged that the Grand Trunk be required to take over all the eastern lines of the Canadian Northern, and to stay out of Western Canada; the Canadian Northern was to take over the Grand Trunk Pacific and stay out of the East. Smith argued against public ownership of the railways.

The two most expensive recommendations made by Drayton and Acworth were the ones that the bankrupt roads should be merged under public ownership and that they should not be permitted to find their proper level of bonded indebtedness and capitalization in the bankruptcy courts. First step in implementing the report was the purchase by the government of the 60 per cent majority interest in the common stock of the C. N. R.

Steps were taken early in 1918 to acquire also the Grand Trunk Railways, now hopelessly involved because of its guarantees in connection with the Grand Trunk Pacific.

There was perpetrated then by the directors of the Grand Trunk one of those notable blunders, of which they were so remarkably capable, and that has been overlooked entirely in most of the subsequent discussions in the Grand Trunk affair in the British press.

The government offered to assume all liabilities and obligations of both the G. T. R. and the G. T. P. and pay to the Grand Trunk shareholders for all time an annual sum equal to the average dividends of the previous ten years. This would have taken $3,600,000 a year. The Grand Trunk directors summarily rejected the offer. The shareholders themselves never had a genuine chance to consider it. Later the value of the preference and ordinary shares went to independent arbitration and, as every one knows, the shareholders were told their stocks were worthless.

Could Have Avoided Public Ownership

There were plenty of opportunities of escape from the morass of public ownership of railways, but all were evaded skilfully by the politicians. The country became responsible for the ownership and operation of 22,000 miles of railway, later increasing this to 23,800 miles.

The Duff report says:

"Government ownership of railways on a large scale as a national policy was not contemplated or planned by any government and was not submitted for adoption to the people of Canada. But when in 1917, the government refused to permit the Canadian Pacific Railway company to negotiate for the majority shares of the Canadian Northern, there was practically no escape from government ownership of all the railways now comprised within the Canadian National Railway System. The consequent completion and operation of the hitherto privately owned and operated lines with the publicly owned railways followed as a matter of course. Thus by a combination of contractual obligations and parliamentary measures, the country was projected into the railway business on a large scale."

This is largely but not entirely true. Even after 1917 there was opportunity for escape from public ownership of these lines. The chief opportunity was that afforded by bankruptcy, foreclosure by the bondholders, merger of all or portions of the companies under private ownership, ruthless abandonment of duplicating lines. This would have involved the annual payment by the provinces and the Dominion of some $20,000,000 annually in interest on guaranteed bonds. But to save the losses under the guarantees the Dominion went into the railway business and involved itself in annual losses that eventually exceeded $100,000,000 annually.

What "Might Have Been"

If the Dominion government had refused to acquire the Canadian Northern, G. T. R. and G. T. P. lines it would have saved in the subsequent period a sum sufficient to pay off in cash all bonds guaranteed up to that time by the Dominion and the provinces and in addition to build up a fund, the income from which would have paid in perpetuity the operating losses on the Intercolonial and other government-owned lines of earlier vintage.

But that of course is "what might have been." The first important thing that the Duff report makes clear is that Canada drifted into public ownership of railways and into the present railway problem through sheer lack of public understanding of what the politicians were doing.

This is the first of a series of discussions of the railway problem in Canada, suggested by the Duff report. The second article will appear in an early issue.

PULP AND PAPER EXPORTS DECLINE FOR SEPTEMBER

Newsprint Figures Responsible for Heavy Drop in Shipments

From Our Own Correspondent

MONTREAL.—Exports of pulp and paper from Canada in September totalled $7,006,171 compared with $9,032,572 in the previous month and $11,084,365 in September, 1931. The decline of $4,078,000 revealed in comparison with 1931 figures is due to the sharp drop in values of newsprint exports.

In September this year newsprint exports were valued at $5,424,021. This was a drop of $1,800,000 from the previous month, and compared with exports of $8,754,089 in September last year. Volume of exports was 119,277 tons against 161,170 tons in September, 1931.

Other paper products were exported to the value of $209,422 in September. This was a decline of $85,000 from the August figures and compared with $308,169 in September last year.

Sulphate Figures Improve

In pulp shipments considerable improvement was noted in the sulphate division. September exports totalled $249,687 an increase over the previous month and a gain of $90,000 over the same month in 1931. Groundwood pulp exports at $200,468 showed an improvement over August but were lower than September last year by $360,000. Unbleached sulphite at $771,456 showed a drop of over $200,000 from August and compared with $1,355,081 in September, 1931. Total exports of wood pulp were $632,723 in September compared with $1,040,862 in the same month a year ago.

Pulpwood exports in September totalled 74,448 cords valued at $738,979 as against 59,399 cords at $580,249 in August and 117,584 cords valued at $1,205,286 in September last year.

Nine Months Decline

For the first nine months of the current year declines are accentuated. Total exports of pulp and paper were valued at $80,526,212 compared with $106,631,731 in the first nine months of 1931. Newsprint exports dropped to $64,014,042 compared with $81,420,910 in the same period in last year.

Following are comparative figures on exports for the first nine months of the past two years:

	1932 $	1931 $
Paper:		
Newsprint	64,014,042	81,420,910
Others	2,562,674	2,867,111
Total	66,576,716	84,288,021
Pulp:		
Sulphate	1,684,173	2,547,136
Sulphite (bl.)	8,577,710	12,087,102
Sulphite (unbl.)	2,088,365	3,919,602
Mechanical	1,466,590	3,414,232
Screenings	64,002	174,154
N. O. P.	68,756	164,262
Total	13,949,596	22,343,710
Total P. & P.	80,526,212	106,631,731

Canada Exports Skates to U. S.

Canada exported 9,820 pairs of skates to the United States in August, 1932. This demand for Canadian-made skates is believed to be due principally to the introduction a few years ago of professional ice hockey into the neighboring republic.

Further P.C. Decision May Be Necessary

From Our Own Correspondent

MONTREAL. — Another appeal to the Privy Council on insurance jurisdiction is foreseen unless the proposed conference between provincial and federal authorities is successful. This was the reported result of the meeting held recently between representatives of Ontario and Quebec who met to straighten out various matters involving provincial jurisdiction, and chief among which was insurance.

The official outcome of the meeting was an agreement reached by the provinces to place before Prime Minister Bennett their views in the hope that a workable arrangement with the federal government can be achieved. Both Hon. W. H. Price and Premier L. A. Taschereau are writing Mr. Bennett to this effect.

Unofficial reports of the conference indicate that if this conference is not satisfactory the provinces will again go directly to the Privy Council.

MONT. EXHIBITION SEEKS TO OBTAIN MAJOR FRANCHISE

Negotiations May Involve Change in Control of Company

From Our Own Correspondent

MONTREAL.—Negotiations are under way between those close to Montreal Exhibition Co. and other interests which may involve the sale of the company. Possibility of the Montreal baseball team securing a franchise in the major American baseball league has been discussed; if this step were taken it is likely that control of the company would change hands.

Montreal Exhibition Co. owns and operates a stadium with seating capacity for 20,000 and an exhibition building. In addition the company owns a franchise to operate a team in the International League of professional baseball clubs. Considerable discussion has ranged around the ability of Montreal to support a team in the major league.

Loss For This Year

Results in the year ended October 31 have not been satisfactory and it is expected that final figures for the fiscal period will indicate a loss. The season started well but bad weather and diminished attendance lowered gate receipts. Rentals in the stadium building are understood to be satisfactory but high taxes are stated to make inroads into gross profits.

In the fiscal year ended October 31, 1931, operations resulted in a deficit of $3,672. Investment interest in the project lies in $1,185,000 of class "A" stock, par value $30, and 25,000 shares of no par "B" stock. No dividends have been paid on the securities since their issuance in 1927.

GUELPH CARPET MAKES PAYMENT COMMON STOCK

Distribution of 50 Cents Marks First Dividend This Year

From Our Own Correspondent

MONTREAL.—A dividend of 50 cents a share on the common stock of Guelph Carpet and Worsted Spinning Mills has been declared payable November 1, indicating that earnings for the fiscal year ended September 30 compared favorably with those of the previous period. This is the first distribution to be made on the 35,000 shares of no par common since November, 931.

In the year ended September 30, 1931, dividends totalling $1 a share were distributed on the common but in January it was announced that disbursements would be suspended to conserve the company's cash position. Evidently operations during the last period have been on a satisfactory basis.

Covered Preferred Payments

Earnings in the previous year were equal to $1.05 a share on the common after charges and preferred dividends. It is known that profits last year were sufficient to cover preferred payments on the $921,000, 6½ per cent, preferred stock by a fair margin and directors have seen fit to make a payment on the common.

Financial statement will not be available until the end of November. The last balance sheet was featured by a strong liquid position while income account showed earnings at $166,103, an increase of $14,000 over the previous period.

The company, operating two plants at Guelph, manufactures worsted, weaving and other yarns and a wide line of carpets.

Plight of Universities

From "Canadian Comment"

Lord Bessborough, on the occasion of the opening of the National Research Laboratories at Ottawa on August 10th, said: "It seems to me that one of the most striking facts of Canadian history is this—that from the beginning the establishment of schools and colleges, and later on of scientific institutions, was one of the first considerations of both governments and people." True. So it is the more to be regretted that, owing to the effects of the economic blizzard from which we have been suffering along with the rest of the world for some time, its blasts have proven so disastrous to many of our institutions of higher learning. For Canada is neither so old nor so rich a land that colleges and universities, in times like these, can rely on endowments exclusively. Governmental support (coming directly from the pockets of the taxpayers) is the very life-blood of most of them. So, in a period when the budgets of private citizens have had to be slashed, when public services have been curtailed and when governmental expenditures must inevitably be cut to the bone, our educational institutions are bound to suffer severely.

Just how severely may be gathered from the condition in which universities in our four Western provinces now find themselves. In Manitoba, Saskatchewan, Alberta and British Columbia, financial stress has reached such an acute stage in the provincial universities, that there has been a proposal of some kind of merger if these institutions of higher learning are to continue to function. The Kidd Committee Report, recently issued in British Columbia, where a careful survey of existing conditions preceded its presentation, makes very forthright statements and downright recommendations regarding educational matters in that Province. The Report forecasts closing of the British Columbia University next year if the Government is unable to continue its grant of $250,000 and the efficiency of the institution is jeopardized. "The question will have to be considered," it says, "whether it may not be in the best interests of higher education to close the University and rely on the proposal contained elsewhere, to establish scholarships to furnish the means of attending a university elsewhere in the Dominion."

Nor are its recommendations along other lines any less drastic. The Committee suggests limitation of free education at fourteen years of age, fifty per cent of further costs to be borne by the pupils, with full expenses paid by pupils in High School after the sixteenth year. A scholarship plan for exceptional students is proposed. Abolition of school-boards in municipal school districts with their functions turned over to municipal councils, is recommended along with a twenty-five per cent reduction in teachers' salaries, imposition of a series of fees at normal schools to cover entire costs, and other economies to bring about the needed $2,000,000 reduction in the British Columbia yearly budget for educational purposes.

All of which sounds very startling, but the Kidd Report merely puts in black and white the harsh realities in the Western provinces, where owing to hard times there is a throw-back to pioneer conditions.

Dealing with the financial stringency of the Western universities, The Financial Post of September 3rd, says: ". . . . the reason is not hard to find. On the basis of latest available data, published by the Dominion Bureau of Statistics, governmental grants comprised no less than 73 per cent of total receipts in the four provincial universities of Manitoba, Saskatchewan, Alberta and British Columbia. This compares with a similar ratio of 30 per cent for all Canada. On the basis of total registration in the academic year ending June 30th, 1931, the cost to Western Provincial Governments for each student in their universities was approximately $210. This compares with a similar figure in the University of Toronto, for instance, of $63."

Total government grants to the four Western institutions were almost $2,500,000 in 1931. Analyzed by provinces, these showed Manitoba to be the then least dependent (but now owing to the enormous defalcations uncovered in the trust funds, the most dependent), with Saskatchewan supported almost entirely by governmental assistance, and Alberta and British Columbia only slightly less the educational wards of the government.

Yet these universities represent total assets of $22,000,000 and possess a total registration of 11,654 students. The problem facing the taxpayer in the West is how beneficially to merge some or all of the various faculties without sacrificing too many of the advantages of higher education.

This again raises the fundamental question as to what constitutes "higher" education for our particular country and whether much of the money we have been expending in the over-production of professional men and women, many of whom have had to leave Canada to find work, has not been unwisely and extravagantly contributed toward a mistaken ideal. For, after all, we are only ten millions or so in Canada and the number of doctors and lawyers, for instance, which we can absorb usefully is far more strictly limited than has been their production. Yet in the University of Saskatchewan we find both a medical and a law school; in Alberta two similar faculties. Undoubtedly such departments, as well as those say of pharmacy, architecture or dentistry might better be left to established institutions in the older provinces, where they are not only better equipped but are not so completely dependent on the taxpayers' money for their support.

The University of Manitoba has announced that it will carry on despite the admitted shortage in its endowments and trust funds of not less than $900,000, but has found it necessary to raise the fees in all faculties in order to make existence possible. Newspapers in Winnipeg and Manitoba generally are almost a unit in demanding that the Provincial Government shall be held responsible for the restitution of the lost near-million, as their audits of the Machray accounts had uncovered no shortages. Yet if this plan be carried out it merely results in the ordinary taxpayer being loaded with not alone the legitimate cost of higher education in that unhappy Province, but with the even more costly results of careless handling of trust funds by too-trusted individuals.

It would seem that the time is ripe in Western Canada for a heart-to-heart and province-to-province conference among genuine educationalists and budgetary experts as to what kind of higher education is calculated to be in the best interests of the body of people who have to pay the costs. Denmark might be taken into consideration, as an agricultural land which has succeeded in providing magnificent educational facilities, suited to its population, but financed with frugality.

Yet it is not alone in Western Canada that universities and colleges are meeting with great difficulties. The old and honorable Acadia University in Wolfville, N.S., has just reported an estimated deficit in the year's operations of not less than $45,000, despite gifts totalling $27,000. In Quebec, at the next session of the Legislature, a keen fight will be staged between two opposing groups as regards the means to be taken to place the University of Montreal on solid financial grounds, and it is far from a foregone conclusion that the suggestion of an increased university tax will win out in the Legislature, as $3,000,000 is required.

At McGill University, as a result of change in policy and an evident desire to curb expensive production of unwanted medical graduates, only 112 candidates of a total of 700 applicants for this course have been accepted. It is also a well-known fact that the University of Toronto has been for some time past exercising discretionary powers regarding the number of entrants accepted in the various faculties. Then too, there is a very well-defined movement in this direction—limitation of candidates for admission—in law schools both in Canada and across the border, where even so gigantic an institution as Columbia University is finding itself facing an unbalanced budget of nearly $6,000,000.

One very convincing evidence of the general trend to really "rationalize" higher educational methods by establishing some degree of relativity between a financial strain which can be borne, and attainment of the "ultimate object," may be seen in the interesting experiment recently undertaken in Portland, Oregon, where a sweeping programme of unification of State colleges, universities and normal schools will soon be put into effect in order to make governmental budgeting possible.

This super-experiment in education will involve drastic changes in faculty personnel and a complete shake-up of major courses. It will also mean that five of Oregon's higher educational institutions will be under the direction of one president, that there will be centralization of all courses, and that a number of the more "faddy" branches of learning will be entirely abolished. This plan is going into full force with the opening of the Fall term.

The truth, as was pointed out recently by the Hon. John Gordon Scott, member of the Legislative Council in Quebec, is that we have been joy-riding with regard to higher education as we have in other things. Provincial expenditures throughout Canada have increased sevenfold in the last thirteen years, but there has been almost no evidence of a planned budgetary system or of any real grasp of the ability of the average Canadian taxpayer to pay what is demanded of him.

So we can all agree with the Editor of The Financial Post, who concludes his article on the possible merging of the Western universities thus: "Here is a direct challenge to educationalists and politicians to take the opportunity presented by a striking combination of circumstances and to curb the expenditure of public moneys on educational facilities which could be offered on a much improved basis and at a greatly reduced cost by a common-sense plan of co-operative effort among the four provinces."

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
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Brantford's Retail Trade Over $14,000,000 in 1930

Brantford's retail trade was over $14,000,000 in 1930, of which 425 retail stores did $13,479,600 and 158 service establishments $1,018,400. The 425 retail stores employed 1,479 persons who received $1,525,600 in salaries and wages, while 260 persons were employed by the service establishments and received $243,600 in salaries and wages.

Less than 23 per cent of the total retail bsiness was done by units of sectional and national chains, about 69 per cent being handled by independents and the balance by two and three store multiples. In the grocery field chains do only about 30 per cent of the total business.

Chief statistics of retail merchandising establishments are:

Principal Retail Merchandising Groups In Brantford

	No. of stores	Net sales* 1930 $	Stocks on hand $
Automotive	39	2,729,700	236,100
Food	157	3,917,600	199,900
General merch.	17	1,311,100	268,400
Apparel	58	1,842,900	537,700
Lumber	25	491,300	140,500
Furniture	8	255,300	79,600
Restaurant	19	239,400	4,000
All other	102	2,692,300	464,200
	425	13,479,600	1,925,400

*Includes $56,100 service receipts.

Independents Dominate Ft. William Retail Trade

There were 298 retail stores with sales of $8,153,900 and 116 service establishments with total receipts of $794,800 in Fort William in 1930, according to the census of retail merchandising and service establishments. The retail stores employed 827 persons who received a total of $846,500 in salaries and wages and the service establishments employed 225 persons whose salaries and wages amounted to $191,900.

Nearly 80 per cent of the total retail business was done by single store independents, units of sectional and national chains being responsible for only 13 per cent of the total. The balance represents sales of two and three store multiples.

Among the service establishments, the amusements group is by far the most important with receipts of $350,000 in 1930. Domestic service is next with receipts of $139,700 and personal service with receipts of $90,500.

Chief statistics of the retail merchandising groups are:

Principal Retail Merchandising Groups In Fort William

	No. of stores	Sales 1930 $	Stocks on hand $
Automotive	19	998,300	91,800
Food	141	3,069,100	205,800
General merch.	17	1,096,400	313,800
Apparel	32	541,600	184,400
Lumber	14	623,100	195,500
Restaurant	23	338,300	83,200
All other	52	1,487,100	318,600
	298	*8,153,900	1,393,100

*Includes $44,400 service receipts.

Ontario Estimates On Fruit

It is estimated that the total production of grapes in the Province of Ontario will this year be 49,000,000 pounds; pears will yield 350,000 bushels; peaches, 875,000 bushels and plums 232,000 bushels. The centre of production of these fruits is in the Niagara Peninsula.

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Alberta Coal Output Higher

During the month of August 261,996 tons of coal were produced by Alberta mines, an increase of 256 tons over the corresponding month last year. For the first eight months of the current year a total of 2,656,338 tons of coal have been mined in Alberta, this being an increase of 145,479 tons over the same period in 1931.

Moose Jaw Show Successful

The tenth annual Saskatchewan Feeder Show at Moose Jaw, with an entry of over 20,000 head of livestock, was the largest ever held in the ten years of its history. The proportion was, roughly, 18,000 sheep and 2,000 cattle, including calves.

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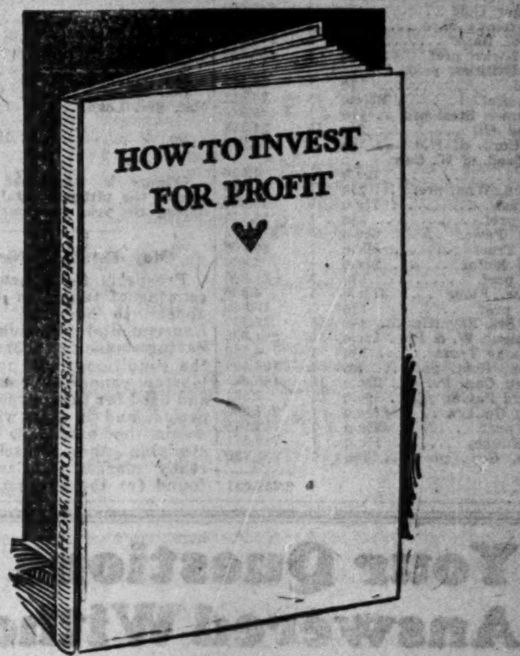

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Pine Falls, Manitoba
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Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

November Dividend List Marks Low Point of Year

Disbursements Total $3,652,381 Compared With $4,756,132 in 1931; Six Companies Take Action to Reduce or Pass Payment

Dividend disbursements by Canadian corporations are usually at the low point for the year in November and the current year is no exception. For the coming month dividend declarations to date total $3,652,381 as compared with $4,756,132 in November, 1931, and $6,738,450 in 1930. November payments reached a peak of $6,756,761 in 1928 while payments in 1927 totalled only $3,493,282.

There have been comparatively few changes for the month with only four companies passing dividends and two reducing dividends. The common dividend of Eastern Dairies and Canadian Car & Foundry has been passed as has the preferred dividend of Hamilton Bridge and Ontario Steel Products. The Imperial Bank has reduced its dividend to an annual rate of 10 per cent compared with the former rate of 12 per cent and this is in line with action taken by the other chartered banks. Shawinigan Water & Power has reduced its common dividend to an annual rate of 50 cents from $1.

November dividend payments, as compiled by The Financial Post, are as follows:

SUMMARY OF PAYMENTS

Dividends	$3,652,381
Bond interest	49,535,534
Total	$53,187,915

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Beatty Bros. pref.	1¾q	1	$18,750
Belding Cort. com.	1¾q	1	13,115
B.C. Tel. 2nd pfd.	$1.50q	1	67,500
Calgary Power pfd.	1½q	1	90,000
Can. Bronze	31¼c.q	1	25,000
Do., pref	1¾q	1	12,600
Can. Converters	50c.q	15	8,667
Can. Dredge pref.	1¾q	1	1,459
Can. Investors c.	10c.q	1	10,000
Coast Breweries	23c.q	1	41,449
Confed. Invest. pref.	75c.q	1	2,131
Cons. Sand, pref.	50c.q	15	5,371
Disher Steel "A" pfd.	37½c.q	1	4,734
Dominion Bridge	50c.q	15	256,975
Dom.-Scottish Inv. pfd.	25c.q	1	14,925
Fuller, Geo. A. (Can.) pfd.	1½q	1	11,250
Guelph Carpet	50c	1	17,500
Do., pref.	1⅝q	1	14,966
Hollinger Gold	5c	3	246,000
Humberstone Shoe	50c.q	1	10,000
Imperial Bank	2½q	1	175,000
Inter. Nickel pref.	1¾q	1	483,486
Inter. Utilities, prior pfd.	1¾q	1	55,077
Do., pref.	87½c.q	1	70,651
McKinnon Steel pfd.	1¾q	1	9,625
Merland Oil	2½c	15	24,258
Mtge. Corp. of N.S.	1¾q	1	11,900
Neon Prod. of W. Can. pfd.	75c.q	1	4,500
Paterson, Wm., pref.	1¾q	1	1,086
Penmans	75c.q	15	48,388
Do., pref.	1½q	1	16,125
Quebec Power	38c.q	15	210,215
Royal Trust	80c.q	1	80,000
Russell Motor	25c.q	1	2,000
Do., pref.	1¾q	1	21,000
St. Law. Flour	37½c.q	1	4,500
Do., pref.	1¾q	1	10,062
Second Std. Royalties pf.	1%	1	28,333
Shawinigan W. & Pr.	12c.q	15	261,390
Sherbrooke Trust	1½q	1	4,500
Simpson, Robt. pfd.	3s.	1	100,500
Southern Can. Pr. c.	25c.q	15	100,000
Standard Paving pfd.	50c.q	15	7,137
Steel of Canada	43¾c.q	1	201,250
Do., pref.	43¾c.q	1	113,685
Teck Hughes	15c.q	1	719,571
Weston, Geo., pref.	1¾q	1	15,750
			3,652,381

BOND INTEREST DUE IN NOVEMBER

Company	Rate	Date	Due	Amount
[illegible]				
[illegible]	4½	1	Var.	150,925
Nat. L. & Pr. "A"	6	1	1949	60,000
Nor. Can. Pr.	6	1	1953	67,500
Nor. Ont. L. & Pr.	6	1	1953	150,000
N.S. Pub. Cold Stor.	6	1	1958	51,000
Price Realty	5½	1	1946	20,625
Paton Mfg.	6	1	1953	22,326
Penmans	5½	1	1951	52,030
Porto Rico Pr.	5	1	1936	43,962
Do., refund	5	1	1962	24,332
Do., debs.	6	1	1950	30,000
Provincial Pap. 'A'	5½	1	1947	134,750
Queen's Hotel	6	1	1947	30,000
Randolph Hotel	6½	1	1947	7,897
Shawinigan "B"	4½	1	1968	358,132
Sher. St. Realty	6½	1	1940	21,937
Spencer, F. G., 'A'	6	1	1944	6,000
Traymore Coll. Tr.	7	1	1935	5,208
University Tower	6	1	1950	37,500
United Grain "B"	5½	1	1949	19,400
United Secs. "A"	5½	1	1952	94,270
Do., "B"	5½	1	1952	42,267
Van. Island Trans.	7	1	1943	17,500
Wabasso Cot.	7	1	1942	18,900
Corporation bonds				5,217,471
Municipal bonds				*5,541,670
Provincial bonds				*4,869,339
Victory Loan	5½	1	1933	12,283,117
Do.	5½	1	1934	14,077,541
Do., renewal	5½	1	1932	2,016,439
Nat. Ser. Loan	5	15	1936	5,529,957
Do.	5	15	1941	
				49,535,534

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

May Establish New Industry

Prospects for a new industry—the canning of tuna fish—in Nova Scotia appear to be good. The Fisheries Experimental Station at Halifax, having made a thorough study of the conditions, now reports that the lobster canneries could be adapted and used for this purpose, in the slack period, and in this way employment would be extended. The officials studying the situation believe a ready market in Canada would be found for the product.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING OCTOBER 24

Range 1932 High	Low	Divd. Rate $	Yield in % Oct. 22	Company	Sales	Close Oct. 17 (or last)	Week Ending Oct. 24 High	Low	Close
[illegible]									
3½	1	1	10.5	Do. pref.	1168	6⅝	6¼	5⅞	6¼
80	75	7	...	Waterloo Mfg.	3334	9⅜	9½	9⅜	9⅜
8	5½		...	W. Koot. Pr.	60	2	2	1⅞	1⅞
60	54	6.50	11.2	West. C. Flour	....	80	..	..	..
12½	10		...	Do. pref.	....	8	..	..	..
59½	43	7	11.7	West. Grocers	5	58½	58	58	58
x91	85		...	Do. pref.	50	12⅞	12¼	12¼	12¼
23	16½	1	4.4	W. Steel Pr. p	....	59½	..	..	..
70	65	7	10	Weston Bisc.	....	..	..	..	..
10	3		...	Do. pref.	25	22	22½	22½	22⅛
38	10		...	Windsor Hotel	....	70	..	..	..
8	2		...	Do. pref.	....	3	..	..	..
20	13		...	Winnipeg Elec.	5	11	11	11	11
x46	46		...	Do. pref.	800	4¼	4¼	3	3
			...	Woods Mfg. p.	....	15	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
* Plus final div. of 17½c paid March 31, 1932.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto

October 25, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.50	1.00
Acadia Sugar pfd.	2.75	3.25
Acme Farmers Dairy pfd.	60.50	65.00
Acme Glove pfd. bonus c.	6.50	9.00
Agnew Surpass pf.	61.50	70.00
Allens Lond. pfd.	31.50	....
Allens Toronto pf.	16.75	....
Andian Nat. Corp.	21.50	24.00
B.C. Pulp & Paper pfd.	5.50	8.00
Burns pfd. bonus com.	5.25	6.50
Can. & Dom. Sugar c.	20.50	21.50
Can. Mach. c.	2.00	4.00
Can. Mach. pfd.	13.00	20.00
Can. Pack. c.	11.50	14.00
Can. Packers pfd.	67.00	....
Can. Starch pfd.	63.00	68.00
Can. Tea pfd.	....	55.00
Can. Wire & Cable pfd. W.W.	73.50	75.50
Can. Industries c. "A"	78.00	81.00
Can. Industries c. "B"	76.25	77.25
Can. Industries 7% pfd.	111.00	112.00
Can. Westing.	39.00	41.00
Chase, A. W. Units	20.00	25.00
Claude Neon Gen. Adv. Units	21.00	23.00
Claude Neon Gen. Adv. c.	1.00	2.00
Crescent Creamery pfd.	62.00	70.00
Dodge Manufacturing "A" pfd.	5.00	....
Dodge Manufacturing "B" c.	2.25	....
Dom. Foundries & Steel c.	5.50	7.50
Dom. Foundries & Steel pfd.	69.50	73.00
Dunlop Tire 7% pfd.	43.50	45.00
Eastern Dairies Ltd. pfd.	60.50	64.50
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	40.00	42.00
Gen. Steel Wares pfd.	7.00	9.00
Goderich Elevator & Transit	8.50	9.00
Greening Wire 7% pfd.	68.00	71.00
Guardian Realty pfd.	18.00	24.00
Guelph Carpet pfd. bonus c.	66.00	....
Guelph Carpet c.	3.50	....
Inter. City Bak. c.	....	38.00
Inter. Proprietaries "A"	25.75	26.25
Langleys pfd.	30.00	40.00
Loew's London 7% pfd.	2.25	2.75
Maple Leaf Gdns. pfd. bonus c.	3.00	3.50
Massey Harris pf.	16.25	17.00
Melchers Distilleries "A"	....	2.00
Mount Royal Hotel c.	.60	1.25
Mount Royal Hotel pfd.	5.25	7.00
Nat. Grocers c.	1.00	1.55
National Grocers 2nd pfd.	38.00	42.00
National Sewer Pipe "A"	18.00	....
National Sewer Pipe c.	7.25	....
Neilson, Wm., c.	5.25	....
Ontario Silknit pf.	14.50	18.50
Provincial Paper 7% pfd.	39.50	43.00
Reliance Grain pf.	60.50	....
Rolland Paper pfd. W.W.	32.00	33.50
Standard Clay Products c.	16.75	20.00
Standard Fuel pfd. bonus	55.50	58.00
Supertest Petroleum "B"	17.00	20.00
Toronto Brick pf.	....	40.00
Toronto Carpet c.	....	89.00
Toronto Carpet 8% pfd.	....	85.50
Toronto Elevators 7% pfd.	75.00	80.00

Industrial Stocks:	Bid	Asked
Toronto Housing com.	14.50	22.00
Western Grain pfd. bonus c.	29.00	32.00
Willards Choc. pfd.	....	21.50
Insurance Stocks:		
Canada Life Ass.	380.00	415.00
Can. Fire Ins.	63.00	68.00
Confederation Life 20% pd.	125.00	135.00
Continental Life 20% pd.	43.00	52.00
Crown Life Ins.	110.00	130.00
Dom. Fire Ins.	92.00	100.00
Dom. Life 50% pd.	242.00	270.00
Dom. of Can. Gen. Ins.	120.00	130.00
Excelsior Life 30% pd.	78.50	85.00
Fidelity Ins. of Can.	....	69.50
Great West Life Assce.	240.00	246.50
Guarantee Co. of N. A.	201.00	....
Halifax Fire Ins.	10.75	12.25
Imp. Life Assce.	241.50	260.00
Mfrs. Life Ins.	231.00	245.00
Monarch Life 10% pd.	19.25	23.50
National Life 25% pd.	67.00	75.00
Saskatchewan Life 10% pd.	10.50	16.00
Sovereign Life 25% pd.	16.00	22.00
Sun Life Assce.	275.00	300.00
Western Assce. c.	15.00	20.00
Western Life 20% pd.	6.00	....
Trust & Loan Stocks:		
Can. Gen. Inves. Ltd.	3.65	3.95
Chartered Trust	64.00	70.00
Debenture & Sec. pfd.	21.50	...
Eastern Can. Sav. & Loan	108.00	112.00
Guelph & Ont. Inv. par $50	45.00	51.00
Eastern Trust	150.00	165.00
Lambton Loan & Savings	53.00	58.00
London & Western Trust	81.50	85.00
Investment Foundation Units	18.00	22.00
Mtge. Disc. pfd.	2.40	3.00
Mutual Fin. pfd.	....	2.25
Northern Trust	....	25.00
Premier Trust	84.75	88.00
Provincial Bank	98.25	101.00
Security Loan & Savings	95.00	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	55.00	59.00
Traders Fin. c.	.60	1.35
Traders Fin. pfd.	21.00	....
Trusts & Guar.	44.00	....
Union Trust	....	90.00
Victoria Trust & Savings	170.50	....
Waterloo Trust & Savings	96.50	105.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	93.75	94.50
Calgary Pwr. 6% pfd.	76.00	78.00
Can. Light & Pwr. com.	21.00	....
Can. West. Nat. Gas LH&P c.	19.00	25.00
Can. West. Nat. Gas LH&P pfd.	76.00	79.00
Great Lakes Pwr. pfd.	....	66.50
Maritime Tel. & Tel. c.	10.75	11.75
Maritime Tel. & Tel. pfd.	10.75	11.75
N.B. Tel. com.	7.50	8.25
Nova Scotia L. & P. pfd.	71.00	80.00

Recent London Quotations:

Brewer Distillers	4s.
Can. & For. sec.	3s. 9d.
Can. West. Lumber	9d.
Hudson's Bay	20s.
Do., 5%	72s. 6d.
Internat. Holdings	$1 7/16
Nfld. Pr. & Pap. deb. stock "B"	101½
Trust & Loan of Can.	2s. 6d.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	Jan. 3	Dec. 15
Atlantic Sugar "A" pfd.	7%	1¾%	Oct. 1	....
Bk. Can. Nationale	10%	2½%	Dec. 1	Nov. 15
Bank of Montreal	10%	2½%	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Beatty Bros., pref.	6%	1½%	Nov. 1	Oct. 15
Borden's c. (No. 91)	$2	50c	Dec. 1	Nov. 15
Belding Cort. c.	7%	1¾%	Nov. 1	Oct. 15
B.C. Telephone, 2nd pref.	$6	$1.50	Nov. 1	Oct. 15
Can. Industries, c. 'A' & 'B'	$3.50	87½c.	Oct. 31	Sept. 30
Canadian Bronze	$1.25	31¼c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Can. Dredge pref.	7%	1¾%	Nov. 1	Oct. 19
Calgary Power pref.	6%	1½%	Nov. 1	Oct. 15
Confederation Invest pfd.	$3	75c	Nov. 1	Oct. 15
Can. Converters	$2	50c	Nov. 15	Oct. 31
Consolidated Sand, pfd.	$2	50c	Nov. 15	Oct. 31
Coast Breweries	...	23c	Nov. 1	Oct. 20
Can. Bank of Commerce	10%	2½%	Dec. 1	Oct. 31
Canadian Investors c.	40c	10c	Nov. 1	Oct. 15
Dominion Bridge	$2	50c	Nov 15	Oct. 31
Dom.-Scottish Inv. pfd.	$2.50	25c	Nov. 1	Oct. 20
East. Theatres c.	$2	50c	Dec. 1	Oct. 31
Disher Steel Cons. "A" pfd.	$1.50	37½c	Nov. 1	Oct. 15
Fuller, Geo. A. (Can.) pfd.	$6	$1.50	Nov. 1	Oct. 15
Guelph Carpet	...	50c	Nov. 1	Oct. 15
Do., pref.	6½%	1⅝%	Nov. 1	Oct. 20
Hollinger Gold	65c	5c	Nov. 1	Oct. 20
Humberstone Shoe	$2	50c	Nov. 3	Oct. 20
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 15
Inter. Utilities, prior pfd.	7%	1¾%	Nov. 1	Oct. 3
Do., pref.	$3.50	87½c	Nov. 1	Oct. 15
Imperial Bank	10%	2½%	Nov. 1	Oct. 15
London Int. Trustee A	...	10½c	Nov. 1	Sept. 30
MacKinnon Steel, pref.	7%	1¾%	Nov. 1	Oct. 15
McIntyre Porc. M.	$1	25c	Dec. 1	Oct. 28
Do., extra	50c	12½c	Dec. 1	Nov. 1
Merland Oil	....	*2½c	Nov. 15	Nov. 1
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Oct. 31
Mortgage Corp. of N. S.	7%	1¾%	Nov. 1	Sept. 30
Neon Prod. of West. Can. pfd.	$3	75c	Nov. 1	Oct. 24
National Biscuit	$2.80	70c	Jan. 14	Oct. 15
Do., pref.	$7	$1.75	Nov. 30	Dec. 16
Paterson, Wm., pref.	7%	1¾%	Nov. 1	Nov. 15
Penmans	$3	75c	Nov. 15	Oct. 20
Do., pref.	6%	1½%	Nov. 1	Nov 5
Quebec Power	$1.50	38c	Nov. 15	Oct. 21
Royal Trust	$3.20	80c	Oct. 31	Oct. 21
Royal Bank	10%	2½%	Dec. 1	Oct. 31
Russell Motor	$1	25c	Nov. 1	Oct. 31
Do., pref.	7%	1¾%	Nov. 1	Oct. 18
Second Std. Royalties pfd.	12%	1%	Nov. 1	Oct. 18
Shawinigan W. & Pr.	50c	12c	Nov. 15	Oct. 15
Do.	...	13c	Feb. 15	Oct. 21
Southern Can. Power c.	$1	25c	Nov. 15	Jan. 21
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 31
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
St. Lawrence Flour	$1.50	37½c	Nov. 1	Oct. 7
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Simpson, Robt. pfd.	6%	3%	Nov. 1	Oct. 20
Standard Paving pref.	$2	50c	Nov. 15	Oct. 15
Sherbrooke Trust	$6	$1.50	Nov. 1	Oct. 31
Teck-Hughes	60c	15c	Nov. 1	Oct. 15
Weston, Geo., pref.	7%	1¾%	Nov. 1	Oct. 15

*Initial.

Dividends Passed or Deferred:

Eastern Dairies, c. Nov. 1, passed. Last paid 25c. Aug. 1, 1932.

Hamilton Bridge, pref. Nov. 1, deferred. Last paid $1.62½ July 15, 1932.

Brazilian Traction, Dec 1 deferred. Last paid 2% stock dividend Sept. 1, 1932.

Canadian Car, com. Nov. 30, passed. Last paid 15c. Aug. 30, 1932.

Ontario Steel Products, pref. Nov. 15 passed. Last paid 1¾% Aug. 15, 1932.

Dividend Rate Reduced:

Imperial Bank 2½% Nov. 1. Reduced from 12% to 10% per annum.

Extra Dividends:

McIntyre Porc. Mines, 12½c Dec. 1.

Winnipeg Grain Prices

Week to October 25

Crop year from Aug. 14, 1932 High	Low		Open Oct. 19	High for week	Low for week	Close Oct. 25
		Wheat				
.60¼	.47½	Oct.	.48⅝	.49⅝	.47½	.47¼
.53⅝	.47⅝	Nov.	.49	.49⅝	.47⅝	.47⅝
.61¾	.47½	Dec.	.50	.51⅛	.47⅞	.48
.66	.51¾	May	.54⅝	.54¾	.51¾	.52⅛
		Oats				
.27⅞	.22½	Oct.	.23	.25¼	.22½	.23⅜
.27	.20¾	Dec.	.21⅞	.23⅝	.20¾	.21⅝
.29½	.23⅝	May	.25¼	.25⅞	.23⅜	.23⅞
		Barley				
.35⅞	.23¾	Oct.	.25	.27⅜	.25	.26⅜
.35	.25	Dec.	.25¾	.27⅞	.25⅜	.26⅜
.38½	.28⅜	May	.28⅝	.30⅜	.28⅝	.28⅞
		Flax				
.85	.68	Oct.	.73	.73½	.68¼	.68¼
.78	.69	Nov.	....	.73⅜	.69	.69
.87	.69½	Dec.	.75	.75½	.69¾	.70
.94	.73¼	May	.80⅜	.80½	.73¾	.75
		Rye				
.36½	.28⅝	Oct.	.29⅞	.30½	.28⅝	.28⅝
.38⅛	.29⅝	Dec.	.30⅞	.31⅞	.29⅝	.29⅝
.41⅞	.33⅝	May	.35⅝	.36	.33⅝	.33⅜

Winnipeg Stock Exchange

(Transactions for week to Oct. 22)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Oct. 22
..	....	Blue Ribbon c.	2	2¼	2¼	2¼
4	6.1	Canadian Fire Ins.	14	65	60	65
..	....	Central Manitoba	500	5	5	5
2	12.4	Dominion Bridge	4	16½	16½	16½
..	....	Gem Lake	2000	⅝	⅝	⅝
20	8.3	Great West Life	5	240	240	240
..	....	San Antonio	767	70	60	65
1.25	10	United Grain Growers	69	12⅜	12	12½
..	....	Western Breweries	50	1½	1½	1½
..	....	Western Grocers c.	60	12½	12½	12½
7	11.5	Do., pref.	10	61	61	61
..	....	Winnipeg Electric c.	3	15	15	15

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumb. pf.	..	80
Can. Nat. Fire	14	..
City Dairy 7% pf.	..	50
City Dairy 8% pf.	..	80
Corporate Steel c.	..	5
Crescent Cream pf.	62	70
Home Invest. & Sav.	25	..
Monarch Life 10% paid	15	..
Pelissiers pref	10	..
Nor. Can. Mtg. pf.	..	15
Reliance Grain pf.	55	..
Sovereign Life 25% paid	10	..
Traders Bldg. Assn	65	..
West. St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	2⅜
Fundamental Series "A"	..	3¼
Fundamental Series "B"	..	3⅜
Grouped Inc. shs.	..	3.43

*Stocks more active on other exchanges not included.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
October 25, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	18.50	20.00
Acadia Sugar 6% 1946	84.00	87.00
Alta. Pac. Grain 6% 1946	84.00	86.00
American Sales Book 6% 1939	104.00	....
Arnold Bros 6% 1947	40.00	50.00
B. A. Oil 5% 1945	86.00	89.00
Canada Biscuit 6½% 1946	29.00	35.00
Canada Bread 6% 1941	87.00	....
Canada Cement 5½% 1947	80.00	82.50
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	75.00	77.50
Can. Copper Refin. 6% 1945	95.50	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	39.00	41.00
Can. Vickers 6% 1947	76.00	78.00
Cons. Invest. 4½% 1959	40.00	....
Cosmos Imp. Mills 6½% 1944	86.00	89.00
Davies, Wm., 6% 1942	83.00	87.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	74.00	78.00
Dom. Telegraph 5½% 1978 "A"	85.00	87.00
Dom. Textile 6% 1949	93.00	....
Dom. Woollens 6% 1948	....	22.00
Donnacona Paper 5½% 1948	20.00	....
Eaton Realty 5% 1949	84.00	....
Famous Players 6% 1948	73.50	77.00
Famous Players 6½% 1948	55.00	58.00
Federal Grain 6% 1949	80.00	83.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	15.00	17.00
Gypsum, Lime & Alab. 5½% 1948	54.00	57.00
Harris Abattoir 6% 1947	85.00	....
Howard Smith 5½% 1953	60.00	63.00
Loew's Toronto 6% (Serial)	95.00	100.00
London Realty 6½% 1950	52.00	57.00
Maple Leaf Milling 5½% 1949	58.00	61.00
Massey Harris 5% 1947	66.00	68.50
McColl Frontenac 6% 1949	86.00	89.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	40.00	45.00
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	64.00	70.00
Price Bros. 6% 1943	45.00	47.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	68.00	72.00
Simpsons Ltd. 5½% 1949	70.00	....
Simpsons Ltd. 6% 1949	73.00	74.25
Steel of Can. 6% 1940	102.00	105.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	54.00	57.00
United Grain Growers 5% 1948	80.00	84.00
United Grain Growers 5½% 1949	84.00	....
Western Grain 6% 1949	70.00	74.00
Public Utility Bonds:		
Bell Telephone 5% 1955	107.00	110.00
Bell Telephone 5% 1957	107.00	110.00
B. C. Power 5% 1960	84.00	88.00
B. C. Telephone 5% 1960	92.00	96.00
Calgary Power 5% 1960	85.50	88.00
Can. Northern Pwr. 5% 1953	81.00	85.00
Duke Price Power 6% 1966	58.00	63.00
Elec. Develop. 5% 1933	108.00	....
French Natl. Mail SS 6% 1952	113.00	120.00
Gatineau Pwr. 5% 1956	72.50	75.00
Gatineau Pwr. 6% 1941 Apr. 1	55.00	58.00
Inter. Pwr. 6½% 1957	58.00	60.00
Maclaren Quebec 5½% 1961	76.00	78.00
Manitoba Power 5½% 1951	56.00	59.00
Montreal Isl. Pwr. 5½% 1957	97.50	100.00
Montreal LH&P 5% 1951	103.00	106.00
Montreal LH&P 5% 1970	102.50	105.00
Montreal Tram. 5% 1941 July	97.50	99.00
Montreal Tram. 5% 1955	82.50	84.00
Northwest Utilities 7% 1938	90.00	95.00
Ont. Pwr. Service 5½% 1950	80.00	81.00
Ottawa Valley Pwr. 5½% 1970	95.50	97.00
Quebec Power 5% 1968	90.00	94.00
Rio Tramways 5% 1935	85.50	87.00
Shawinigan W & P 4½% 1970	71.25	75.00
Shawinigan W & P 5% 1970	79.00	81.00
Shawinigan W & P 6% 1937	89.00	92.00
Southern Can. Pwr. 5% 1955	93.00	95.00
West Kootenay Pwr. 5% 1956	92.00	94.00
Government Provincial & Railway:		
C.N.R. 4½% 1951 Dom. Gtd.	98.50	100.00
C.N.R. 4½% 1957 Dom. Gtd.	98.50	99.50
C.N.R. 5% 1969 Dom. Gtd.	105.00	106.00
C.P.R. 4½% 1944	84.00	85.50
C.P.R. 5% 1954	91.50	95.00
C.P.R. 6% 1942	103.50	104.50
Dom. of Can. 5% 1936	102.00	102.50
Dom. of Can. 5% 1941	102.25	103.50
G.T.P. 3% 1962 Dom. Gtd.	76.00	77.50
G.T.P. 4% 1962 Dom. Gtd.	90.50	92.00
Ont. Hydro 5% 1939 Ont. Gtd.	100.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	90.00	....
Prov. of N.B. 5½% 1950	103.00	104.00
Prov. of Ontario 4½% 1944	102.00	103.00
Prov. of Ontario 5% 1948	102.00	103.00
Prov. of Ontario 5½% 1947	105.50	106.00

Listed Bond Quotations

Week Ending October 24

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	18	...	...	46	19½
Asbestos	5	1942	...	19	...	...	65½	49
Do., 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs.	5	1943	7.30	83	...	...	83½	...
Cedars Rapids	5	1953	5.00	...	...	...	101	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	50	45
McNish	6	1948	...	45	...	...	2.25	1.00
Mex. L. & Pr.	5	1940	...	2.00	...	...	*73½	70½
Mont. Pr. deb.	3	1939	...	45	...	...	44	35
Mont. Tr. 1st mtg.	5	1941	5.20	42	42½	41⅜	98⅜	90⅞
Mont. Trams. "A"	5	1955	6.34	97	98⅜	...	85½	69½
Do., G. & Ref. "B"	5	1955	7.45	...	84	...	79⅜	78⅜
Do., "C"	4½	1955	6.43	...	...	...	77½	77
Do., "D"	5	1955	6.62	...	77½	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62½	59
Ontario Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada	6	1940	5.90	103	...	...	102½	100½
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.	5	1935	...	...	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.53	109.25	....	....	110.00	102.00
Victory Loan	5½	1933	3.92	101.35	....	....	101.55	100.25
Do.	5½	1934	4.31	102.15	102.25	....	102.25	99.25
Do.	5½	1937	3.73	108.20	....	....	109.75	104.00
Do., refund	4½	1940	4.56	99.50	....	....	98.25	91.50
Do., refund	5	1943	4.66	102.60	....	....	102.50	95.38
Do., refund	4½	1944	4.55	99.00	....	....	96.75	89.50
Do., refund	4½	1946	4.60	99.00	....	....	92.25	91.50
Conversion Loan	4½	1956	4.76	98.75	....	....	91.50	88.25
Do.	4½	1957	4.84	98.75	....	....	90.50	88.50
Do.	4½	1958	4.63	99.25	....	....	98.00	88.50
Do.	4½	1959	4.60	100.25	....	....	99.00	88.75
Nat. Service Loan	5	1936	4.38	102.10	102.05	....	102.05	96.25
Do.	5	1941	4.60	102.60	....	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

October 25, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Apr.	91.50	5.09
Alberta	5	1 July, 1948	1 Jan.	95.00	5.61
Alberta	6	1 Mar., 1947	1 Mar.	103.25	5.67
*British Columbia	4½	1 Oct., 1953	1 Apr.	92.50	5.09
*British Columbia	5	15 Jan., 1948	15 July	98.25	5.17
British Columbia	6	15 Feb., 1947	15 Feb.	103.00	5.69
*Manitoba	4	1 July, 1947	1 Jan.	83.00	5.70
*Manitoba	5	2 Dec., 1959	2 Dec.	97.25	5.19
Manitoba	6	1 Apr., 1947	1 Apr.	102.75	5.72
*New Brunswick	4	1 June, 1948	1 Dec.	91.65	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	104.00	5.15
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	98.25	4.65
Nova Scotia	5	1 May, 1943	1 Nov.	101.00	4.88
*Ontario	4½	1 Sep., 1944	1 Mar.	103.00	4.18
Ontario	5	15 Oct., 1948	15 Apr.	103.00	4.72
Ontario	5½	1 Feb., 1947	1 Feb.	106.00	4.91
P. E. I.	4	1 Apr., 1939	1 Apr.	94.50	5.00
P. E. I.	6	1 May, 1947	1 Nov.	108.50	5.18
*Quebec	4½	1 May, 1961	1 Nov.	102.53	4.10
Saskatchewan	4½	1 Oct., 1944	1 Apr.	88.00	5.90
Saskatchewan	5	1 Oct., 1950	1 Apr.	92.00	5.72
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.75	5.93
*Newfoundland	5	31 Dec., 1952	31 Dec.	65.00	8.68
*Newfoundland	5½	1 July, 1939	1 Jan.	70.00	11.95
*Newfoundland	6½	30 June, 1936	30 Dec.	71.00	...
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.87	4.70
*Toronto	4½	1 Jan., 1955	1 Dec.	97.24	4.70
*Vancouver	5	15 Jan., 1970	15 July	95.92	5.25
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Apr.	90.70	6.50
Calgary	5	1 Jan., 1943	1 Jan.	87.50	6.67
Halifax	6	1 July, 1951	1 Jan.	108.95	5.25
Saint John	5	15 Dec., 1950	15 Dec.	97.06	5.25
Regina	4½	1 July, 1950	1 Jan.	76.77	6.75
Victoria	5	21 July, 1945	21 July	91.06	6.00
Quebec	5	1 June, 1948	1 Dec.	[illegible]	[illegible]

*Payable in New York.

PACIFIC (COYLE) PROFIT HIGHER BANK LOAN DOWN

Decline in Gross Earnings Offset By Cut in Expenses

Outlook for Pacific (Coyle) Navigation Co. is dependent upon the revival of the logging industry in British Columbia which is indefinite at this time, according to E. J. Coyle, president of the company, in a statement made at the annual meeting held recently in Vancouver. Gross profit from operations in the year ended July 31, 1932, was $48,488, as compared with $61,189 in the previous year, but net profit available for depreciation, reserves, and bad debts was $23,863 compared with $11,290 in the previous year. Surplus was due to reduction in general and administrative expense from $54,553 to $24,225. Allowance of $5,265 was made for bad and doubtful accounts and before depreciation there remained a profit of $18,598 compared with a loss of $14,151 in 1931.

Bank Loan Reduced

The balance sheet of the company shows current assets at $67,432 and current liabilities at $136,429. Current assets in 1931 totalled $116,938 against current liabilities of $205,040. Bank loan has been reduced from $86,886 to $47,500 and bills and accounts payable from $109,011 to $53,067. Current assets included $662 in cash, and $36,772 in accounts receivable after allowing $43,542 as a reserve for bad and doubtful accounts while $20,186 is receivable under an agreement for sale with accrued interest $3,658 for work in progress and $6,454 as inventories of stores and supplies.

Fixed assets of the company and goodwill are carried at $1,138,466 and no provision has been made for depreciation during the past two years. Depreciation since appraisal of March 31, 1926, totals $348,164. Deferred charges totalled $86,213. A reserve for redemption of first preferred shares amounting to $52,961 is shown as a liability. There remains outstanding $730,500 of seven per cent cumulative redeemable first preference shares, $341,000 in seven per cent cumulative second preference shares and 13,961 common shares of no par value which are carried at $31,220. Dividends on first preference stock have been paid to February 28, 1930, and on second preference shares to September 5, 1929. With the exception of three tugs and barges being purchased under agreement from Canadian Robert Dollar Co. no insurance is being carried.

CAN. BAKERIES EARNINGS DOWN CASH IS HIGHER

Depreciation is Met By Transferring Reserve to Surplus

Net earnings of Canadian Bakeries were $59,647 in the year ended August 31, 1932, sufficient to cover bond interest charges of $45,755 and income taxes of $5,286, but insufficient to cover depreciation reserve for which $82,687 was appropriated as against $101,231 in 1931. Depreciation was provided out of profit on redemption of first preferred stock and bonds and the transfer to surplus of a reserve for sinking fund on first mortgage bonds amounting to $61,500. Through this transfer and the fact that no dividend was paid on the preferred stocks surplus carried forward was increased by $9,438 net.

Net earnings of the company were substantially under those of previous years and compared with net of $116,524 in 1931 and the peak of $535,020 reached in 1929. Income and surplus account of the company for the past two years is as follows:

COMPARATIVE INCOME AND SURPLUS ACCOUNT
Years Ended August 31

	1932	1931
	$	$
Net earnings	59,647	116,524
Less: Depreciation	82,687	101,231
Bond interest	45,755	48,002
Income taxes	5,286	......
Add: Bond s.f. res.	61,500	......
Profit on redemp. of 1st pref.	14,818	8,843
Profit on redemp. of bonds	7,201	2,316
Net profit	9,438	†21,550
Less appropriations: 1st pref. divds.	......	52,050
Surplus for year	9,438	*73,600
Add: Previous surp.	822	74,422
Bal. carried forward	10,260	822

†Loss. *Deficit.

Working capital position shows an improvement with cash up to $106,284 from $76,071; accounts receivable reduced to $160,844, after reserve of $36,536, from $210,022 in 1931 and inventories at $80,007. In addition the company has $20,050 of Dominion of Canada bonds. Current liabilities have been reduced with accounts payable down to $71,848 from $86,121. Tax provision is up to $12,932 from $8,834 but since preferred dividend has been passed this item does not appear this year. Working capital position is as follows:

Working Capital

	1932	1931
	$	$
Current assets	367,184	390,984
Current liabs.	84,780	104,255
Working capital	282,404	286,729
Ratio	4.33—1	3.75—1

Fixed assets are valued at $2,642,589 from which is deducted reserve for depreciation amounting to $878,443 leaving a book value of $1,764,147. Goodwill, trade marks and brands are carried at $705,664 and deferred charges to operations at $13,346. During the past year there has been redeemed $18,500 of the 6½ per cent first mortgage bonds which leaves $692,300 still outstanding. There has also been redeemed $17,000 par value of first preferred stock leaving $913,000 outstanding. On these redemptions profit to the company totals $22,019. There still remain outstanding 10,000 shares of 7 per cent second preferred stock, and 20,000 shares of no par value class A stock. Surplus includes $10,260 in profit and loss account and $50,000 reserve for sinking fund on first preferred shares. There is a contingent liability of $25,000 on account of claims disputed by the company.

Dumping Duties on Gasoline Cancelled When Ineffective

U. S. Companies Exporting to Subsidiaries in Canada Avoided "Fair Market Value" Penalty By Legal Bookkeeping Ruse—Canadian Firms Meeting Competition

Cancellation of dumping duties against gasoline coming into Canada from the United States will make little difference in imports, according to officials of Canadian oil companies. As pointed out by The Financial Post last summer, these dumping duties were evaded in great measure by the simple device of invoicing the gasoline to Canada at whatever "fair market price" was set by the Department of National Revenue. Any loss on sales in Canada was made up for by profit in the United States. Thus the only duty which the gasoline had to pay was 2½ cents a gallon.

The dumping duty provided that if gasoline were invoiced to Canada at less than the market price set, the difference between this invoice price and the "fair market value" set by Ottawa would be added to the duties. Some of the largest gasoline exporters to Canada, however, had Canadian subsidiaries which paid the parent company the "fair market value" invoiced to them even though it meant selling the gasoline in Canada at a loss. That meant nothing to the parent company which made up south of the line for the subsidiary's loss by chalking up an extra profit. It was just taking money from one pocket in Canada and putting it into another pocket in the United States. It was all perfectly legal and it evaded the dumping duties. Hence the decision of the Department of National Revenue to cancel the dumping duties.

Canadian companies have made good way against imported gasoline by price reductions. It is believed that the situation has not been changed in this particular at all. The news that Standard Oil Co. of New York has advanced the price of gasoline throughout New York and New England states also makes the price situation from the competitive standpoint stronger in Canada than before, especially as the advance has been met by other marketers throughout the Eastern area of the United States.

Stiffer Market Expected

The situation has been further strengthened by Sinclair Refining Co. posting a price of 5½ cents a gallon for cargo gasoline at Gulf ports, an advance of one cent. The tank car price of gasoline was also raised a cent a gallon at Atlantic coast terminal points, making the price for regular grades 7 cents and for United States motor gasoline 6¼ cents a wine gallon. All big companies followed this lead, and it is interesting to Canada to note that similar increases are expected in Pennsylvania and other areas in the Eastern states.

A stiffer market for crude oil is expected generally in the United Sttaes. This will be of advantage to International Petroleum, which bases its Peruvian and Colombian prices on mid-Continent prices in the United States, and also to crude oil subsidiaries of British American Oil operating in the East Texas and Oklahoma fields. A warning note has been sounded by some major producers that crude oil price increases may result in recent advantages being lost and results can therefore only be judged.

National Light Interest Earned

Gross earnings of $529,675 are reported for National Light & Power Co. in the year ended May 31, 1932. This compares with $571,543 in the previous year, the first year in which the company was operated under private control. Operating expenses for the year ended May 31, 1932, amounted to $249,120 compared with $280,593 the previous year and net earnings of $280,555 compared with $290,950. After provision for $28,736 depreciation of first mortgage bond interest amounting to $120,000 was earned 2.10 times compared with 2.13 times the previous year.

Earnings in both 1931 and 1932 were higher than in either 1928 or 1929 when the plant was owned by the city of Moose Jaw. Kilowatt hour output in the year ended May 31, 1932, was 21,274,637 compared with 22,720,695 in 1931, a decrease of 1,446,058 k.w.h. or 6.36 per cent.

TAXES ON FAMILY HAVE INCREASED AT SPEEDY RATE

Business Men's Committee Outlines Growth in Taxation

Combined taxes levied by Dominion, provincial and municipal governments in Canada were:
$55,000,000 in 1895-6,
$93,091,361 in 1904-5,
$238,036,485 in 1913-14,
$580,851,718 in 1921-22,
$772,969,645 in 1929-30.

Per capita, the levies are as shown in the diagram;
10.94 in 1895-6,
$15.98 in 1904-5,
$31.20 in 1913-14,
$66.10 in 1921-22,
$77.08 in 1929-30.

Higher Taxes Per Family

Most tax bills are paid by heads of families. Adopting the census returns of 1921 of 4.62 persons as the average per family, then taxes per family of $144.14 in 1913-14 had grown almost 2½ times to $356.10 per family in 1929-30, or almost $30 per month.

These increases have far outrun the indices of basic industrial and financial development, according to a bulletin of the National Committee on Economy in Public Finance. The committee is organized under the auspices of the Canadian Chamber of Commerce.

Are Taxes Too High?

Whether or not taxes are unduly heavy at any time, or are fairly distributed, cannot, however, be left to comparative statistics to decide. Taxes are the point at which the practical side of government comes home to individual citizens, and the people have constitutionally gained and preserved the right to determine, judging for themselves, how great a burden by way of levies may be imposed upon them.

Taxes are compulsory levies by a government for purposes of its revenues. Not all government income is derived from taxes. Sales or leases of the public domain, fines for infraction of laws, regulatory licenses, etc., yield revenues. Then fees, or payments for special services, such as postage for main services and charges for water, light, power or transportation when supplied by governments, are important contributing sources.

What Are Not Taxes

No sharp boundary line can be drawn, either theoretically or practically, between this class of charges and what are called taxes. All imposts are for the purpose of enabling government services to be performed, but where a charge is for a specific service and is fixed in some relation to the estimated cost of that specific service it is not ordinarily called a tax.

For all general services of governments, including the making good of deficits, if any, on specific services, governments raise money wherever they think it can most conveniently or with least social disturbance be obtained. These imposts are classed as taxes.

Between 75 and 80 per cent of all government revenues, as appearing in their accounts, are derived from taxes, and the percentage has not declined despite the great extension of special service charges.

Not All Due to War

After users of government utilities had paid all that was charged for postage, water, light, power, transportation, money loans, etc., etc., the taxpayers in 1929-30 were required to pay $772,969,645, as against $238,036,485 in 1913-14.

It may be said there is the war debt. But there are also the war taxes. Deduct the war taxes for 1929-30, $134,086,005, and the balance is still $638,883,640, or 270 per cent of the tax bill of 1913-14.

Is Up to Public

Per family, exclusive of war taxes, $150 more was required in 1929-30 than in 1913-14, or $294.29 as against $144.14.

What general services, what deficits in special services, have caused the increase?

Whether existing taxes are wise or tolerable, it is for the public to determine. The decision is a public responsibility. If in the negative, the question will be, What is to be done about it?, the bulletin which was prepared by W. Sanford Evans, of Winnipeg, and which is one of a series, concludes.

What Editors Say of Banks

Credit Theorists Should Look to Facts

Edmonton Journal—While the British Labor party, at an early session of its annual convention, adopted a resolution calling for the nationalization of the Bank of England and joint stock banks, it later exhibited a sense of proper sequence when it went on record for the establishment of a wholly socialistic state as a prerequisite to the nationalization of credit. The one, of course, includes the other but nationalization of credit can hardly come before socialization of the state.

In Canada nationalization of credit is being advocated by many who would not dream of going so far as establishment of a wholly socialistic state in the dominion. They do not realize as the British Labor party has, that nationalization of credit is possible—if at all—only in a state that has gone a long way toward complete socialization. Nationalized credit is unnatural in an individualistic system of society. Nationalization of industry and human effort generally is a precedent to nationalization of credit rather than a natural corollary of it. Individualism in industry and business generally requires such confidential relationships with sources of credit as are impossible under a nationalized system. Under the latter competitors in business would be called upon to deal with the same—because only—source of credit.

It is time for those who are advocating nationalization of credit in Canada to look facts fairly in the face. Are they prepared to go the whole way, as the British Labor party has done, and advocate the establishment of a complete socialistic state? The Journal believes that comparatively few are ready to go that far. It is time for them to realize that nationalization of credit is practically impossible and certainly highly dangerous under the economic system that still prevails in Canada and that most of them prefer to extreme socialism.

This does not mean that the system of credit in Canada is perfect. It is not, by any means. But a recognition of its weaknesses should result in an intelligent effort to correct them rather than in tearing it up root and branch and substituting for it a revolutionary system of nationalization of credit for which the dominion has not prepared. Canada is still a long way from complete socialism. It is equally as far from nationalization of credit. But unless bankers and other financial leaders use their knowledge of and experience in credit to correct such weaknesses as exist, the demand for "something better" may force action by parliament along lines less wise and less technically efficient. The Journal again urges the bankers, as it has done more than once recently, to assume a bold leadership and initiate such reforms as experience of the past few years has shown are necessary.

Politics and Banking

Toronto Mail and Empire—In his desperate hunt for followers, the Opposition leader (W. L. MacKenzie King) is apparently prepared to attack the banking system which has been one of the main buttresses of the country's stability throughout the three years of depression for which Mr. King's extravagance in office is partly responsible. He is apparently ready for inflation and other novelties. He thinks that the banks do not lend with sufficient freedom. As a matter of fact, the banks have plenty of money and they are only too eager to lend it upon adequate security. The shrinkage in security values during the world depression has naturally curtailed the volume of loans, but that is not the fault of the banks. They would be recreant to their trust if they lent the millions of dollars deposited with them by the Canadian people upon inadequate security.

If we mistake not, a Western Liberal paper recently published a cartoon in which it depicted with approval the Opposition leader in the act of dealing out cheap credit to borrowers. This is a suggestion of injurious character unworthy of any public man in presence of a world depression, which calls for all that our statesmen possess of caution and carefulness in the handling of public affairs. At such a time as the present the Opposition leader is under a stern responsibility to abstain from demagogic appeals to the less stable elements of our population.

Reform Needed

Prince Albert Herald — A speaker who attempted to defend the Canadian banks on the floor of the annual convention of the British Columbia Liberal Association was howled down. It will be noted that this was not a Labor party convention nor a convention of a farm organization, but leading members in British Columbia of one of the two centuries-old political parties gathered together would not listen to a defense of our banks. The discussion of banking and credit culminated in the passing of a resolution urging the establishment of a national banking system. The Liberals of British Columbia went to greater extremes than the federal leader of that party who recently came out in advocacy of a central bank of rediscount in Canada to take over certain work from the federal department of finance.

Here surely is evidence of the widespread dissatisfaction with our present banking system. Criticism is not confined to those inclined to be reactionary. The present depression in laying bare some of the glaring weaknesses of our present banking system has drawn the attention of the public to the necessity of some measure of reform.

The chief criticism of our present system appears to be that in good times credit is expanded to great extremes which in itself gives an impetus to the inflation but when the pinch of hard times is first being felt credit is suddenly and drastically restricted by the banks. This only tends to aggravate the seriousness of the depression.

This banking practice gives an added push to the pendulum on each swing, sending it to new extremes. At the present time loans are only being made when the banks have a very wide margin of security and every effort is being made to collect outstanding loans. All our banks are reaching out in an endeavor to liquify their assets. In other words, at a time when increased circulation of money is needed in the money-starved realm of general business, the banks are gathering up as much as they can and putting back into circulation only a very small percentage of what was let out on credit in good times. The over-enthusiasm of the banks to lend money in good times finds an opposite in each depression in the zeal to restrict credit and liquify assets. This country's greatest need in banking reforms appears to be the establishment of some effective means of governing the volume of credit and also the rates of interest, a sore point these days. Holding credit down within reason in good times will reduce the hardships in depressed periods. Effective control would prevent our banking system from giving an impetus on the one hand to inflation and on the other hand to reflation; it would tend to maintain the happy medium. True, our banks would make less in good times when competition is keen for business, but they would lose less in hard times when the day of reckoning arrives for ill-advised loans made when things were booming.

Banking Dangers are Legislative

Vancouver Province.—While many Canadian businesses are in hard circumstances, while some have reduced their dividends and others have suspended them entirely and still others are in the red ink, the banks of the Dominion are in the clear and go on making profits as usual. For this, they are being criticized a good deal. But the critics of the banks forget what the banks themselves are careful to remember, that the banks are custodians of other people's money rather than of their own—that they are trustees, in fact—and that there is laid on them an additional obligation to be watchful and canny in their dealings. The fact that the banks are still earning fat dividends may be galling to some, but it is a source of comfort to a good many hundreds of thousands of Canadians whose billions of dollars of savings are in the banks' keeping. As long as the banks continue earning their dividends, there is evidence that the deposits lodged with them are not in jeopardy.

The Canadian banks appear to have the advantage of standing above the wash of depression. Other financial and business structures along the shore may be wrecked or swept away by the high seas blown up by the economic storm. But the banks remain secure. There is evidence, however, that the banks are not quite so secure as they would like to be. They have enemies and there are dangers about them. But the dangers are legislative rather than economic.

OUTLOOK CLOUDED FOR SEAMAN-KENT

Bank Loan Paid Off; Inventories Reduced; Plants Closed

The Bondholders Protective Committee for the holders of 7 per cent first mortgage bonds of Seaman-Kent Co. has advised bondholders that trade conditions continue so unfavorable as to preclude profitable operation of the property at the present time or in the early future, and the only thing that can be done is to await improvement in conditions such as would warrant reopening of the company's plant. Plans for reorganization of the business have been considered and while some progress has been made no agreement has as yet been reached.

A receiver and manager was appointed for the property on June 5, 1931, and took over assets of the company including manufacturing and warehouse properties and equipment given a book value of $1,139,275 and also current assets consisting substantially of accounts receivable and merchandise having a book value of $467,450. The current assets formed a floating security for the bonded debt, subject to a claim from the Bank of Toronto under section 88 of the Bank Act and otherwise of $259,741. The receiver and manager operated the plant for the purpose of completing the conversion of raw materials in marketable commodities and after that was accomplished operations ceased although properties have been kept up so that they will be in good working order for the resumption of business.

During the period from June 1, 1931, to September 30, 1932, the receiver and manager reports total receipts of $400,905 of which $395,341 is in sales of merchandise During the same period, disbursement totalled $344,210 of which $258,112 represented repayment of the Bank of Toronto loan. There remains on hand at September 30, 1932, cash to the amount of $56,695 from which must be provided outstanding taxes amounting to approximately $20,000 and expenses of the receivership.

Volume and Quality High in '31 Crops, Says B. of M.

Taken as a whole the principal field crops of Canada have seldom attained such total volume as during the present season or been of a higher quality, says the final crop report of the Bank of Montreal. Yields were generally satisfactory in each of the provinces, despite sectional reverses due to weather conditions or other causes.

A preliminary estimate of the Dominion Bureau of Statistics placed the total yield of wheat in the Prairie Provinces at 446,000,000 bushels but from latest reports a total of around 415,000,000 bushels is now anticipated. Even so, the yield is well in excess of the ten year average and the largest crop since 1928. Last year's prairie crop was approximately 300,000,000 bushels. The wheat marketed to date has grade exceptionally high and tests indicate that the high protein content will be maintained. The Western oat crop is estimated at 274,000,000 bushels against 183,700,000 bushels last year and the barley crop at 70,000,000 bushels as compared with 50,500,000.

In Quebec crops of the main staples have been good and in Ontario they have been heavy, although in both provinces potatoes are below average. In the Maritime Provinces crops have done well, with again the exception of potatoes, Nova Scotia also recording a 30 per cent loss of the apple crop due to storms. In British Columbia crops generally have been above average.

B. C. Power Earnings Drop in First Quarter

From Our Own Correspondent

MONTREAL.—Both gross and net earnings of British Columbia Power Corp. showed a decline in September. Gross was down $80,029 at $1,059,379 and net was down $56,302 at $451,041 compared with September last year.

For the three months ended September 30, the first quarter of the company's fiscal year, earnings show a further decline. Gross dropped $363,325 to $3,172,889 and net earnings were lower by $172,437 at $1,338,362 in comparison with the same period last year.

Earnings in the fiscal year ended June 30, 1932, were just sufficient to cover the $2 dividend requirements on the class "A" stock. After all charges profit was equal to $2.01 a share on the "A" shares. Net profit in the first two months this year was below dividend requirements.

Europe Important Buyer of Canadian Goods

During the first six months of the present fiscal year the export of Canadian domestic products was valued at $234,182,869, of which $83,854,284 went to the United Kingdom and $77,789,019 to the United States.

Leaving both these countries out of account it shows that Canadian exports to Continental Europe totalled $39,907,802, which is greater than to all the rest of the world put together, the total of the latter being $29,545,604.

The largest amounts were: to Holland $9,503,854; Belgium $8,264,178; France $6,966,452; Germany $3,544,283; Italy $2,056,508; Sweden $2,157,356; Russia $1,307,198; Spain $1,208,757; Norway $1,589,032; Denmark $1,227,783.

By continents the six months' exports were: Europe $123,762,086; North America $89,531,283; South America $3,261,701; Asia $8,616,900; Oceania $5,925,739; Africa $3,086,160.

Jones, Heward Inaugurate New French Department

From Our Own Correspondent

MONTREAL. — Announcement is made by Jones, Heward and Co., members of the Montreal Stock Exchange and Montreal Curb Market, of the inauguration of a French Department. This innovation in the firm's activities will be under the management of Lucien Roux, previously connected with Johnston and Ward.

Shades of Rube Goldberg!

After passing weighty judgment on the question of Federal control of Canada's banks, the Trades and Labor congress, at their annual meeting at Hamilton, Ont., recently, were asked to consider the equally weighty problem of ledgers.

The momentous proposal before the congress was that they endorse a resolution calling for a government measure to prohibit the use of loose leaf ledgers in Canadian banks.

One delegate pointed out that besides making fraud impossible the extra work which would be available for the bookbinding industry was an important point to consider.

It is not disclosed whether a representative of the book-keeping machine manufacturers union protested or whether it was one of the delegates who had a son in a bank but, in any case, sanity prevailed and the proposal was not adopted.

Butter Production Down 6 Per Cent in 9 Months

Production of creamery butter in Canada in September, 1932, amounted to 21,735,768 pounds, compared with 24,702,282 in the preceding month and 23,382,920 pounds in September, 1931.

The increases were in Prince Edward Island, New Brunswick, Ontario and British Columbia, and decreases in Nova Scotia, Quebec, and the Prairie Provinces.

The cumulative production of butter in the nine months was 168,197,544 pounds compared with 179,381,856 in the corresponding period of last year, or a decrease of 6.2 per cent.

Mining Stock Quotations

Week Ending October 24

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Oct. 17 (or last)	High for week	Low for week	Close Oct. 24
1	.06	.03	Abana	.....	.04½	.....	.....	.....
1	.03	.00½	Aconda	1,000	.01½	.01	.01	.01
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
No	.20	.05	Algoma	81,800	.08	.07½	.05	.05½
1	.09	.00½	Alexandria	52,500	.02½	.02½	.01½	.02
1	.01½	.00½	Algonquin	2,000	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	9,500	.00½	.01	.01	.01
No	.36	.06	Amulet	5,950	.22	.21	.18	.20
1	.00½	.00½	Apex	.....	.00½	.....	.....	.....
1	.04	.01	Area	10,000	.03½	.03½	.02½	.03½
No	.03½	.00½	Arno	35,000	.02½	.02½	.01½	.01½
1	.02½	.02	Astoria Rouyn	.....	.02½	.....	.....	.....
1	.07	.02½	Bagamac	.....	.03	.....	.....	.....
1	.01½	.00½	Baldwin	2,000	.01	.01	.01	.01
1	.12	.03	Barry Hollinger	4,900	.04	.04	.03½	.04
No	1.45	.30	Base Metals	1,300	1.03	.90	.90	.90
No	.12	.01	Bidgood	14,200	.02	.02	.01½	.01½
1	.21	.04	Big Missouri	38,750	.14	.18	.14	.16
1	.11½	.02	Bobjo	17,100	.09½	.10	.08½	.08½
1	.23	.02½	Brett Trethewey	25,325	.16	.17½	.15	.17
No	.03	.00½	Brownlee	8,000	.01½	.01½	.01½	.01½
1	.01	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	4,000	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	6,000	.02½	.02½	.02	.02
5s	1.03	.10	B'Wana McKubwa	.....	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.04	.02	Canam Metals	.....	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	6,060	.02	.02	.02	.02
1	.09	.00½	Canusa	3,000	.02½	.02½	.02½	.02½
No	.02½	.00½	Capital Rouyn	13,000	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	32,400	.03	.03½	.03	.03
1	.21½	.09	Castle Trethewey	3,000	.14	.14½	.12½	.14
1	.09½	.04	Cen. Manitoba	500	.05	.04½	.04½	.04½
1	.16	.02	Cen. Patricia	9,975	.13	.15	.13	.13
No	.07½	.01½	Chibougamau Pros.	.....	.04	.....	.....	.....
No	.02	.00½	Clericy	2,000	.01	.01½	.01½	.01½
5	5.00	.45	Coast Copper	300	3.25	2.80	2.65	2.65
1	.02½	.00½	Cobalt Contact	1,000	.01½	.01½	.01½	.01½
No	.16	.15	Cobue	.....	.15½	.....	.....	.....
1	.12	.03	Columario	47,200	.09	.12	.09½	.11
5	1.10	.60	Coniagas	.....	1.00	.....	.....	.....
No	.50	.23	Coniaurum	.....	.23	.....	.....	.....
25	102.00	25.00	Cons. Smelters	1,299	68.00	73.50	67.00	68.00
No	13.25	9.00	Dome Mines	2,200	12.10	12.50	12.20	12.50
No	.10	.02	Dom. Explorers	13,600	.04½	.04½	.03½	.03½
	.00½	.00½	Dominion Kirk	.....	.00½	.....	.....	.....
1	.04	.00½	Don Rouyn	2,500	.01½	.02	.01½	.02
	.04	.03	Duparquet	.....	.03	.....	.....	.....
1	1.60	.76	Eldorado	6,930	1.30	1.30	1.25	1.25
No	2.40	.47	Falconbridge	2,870	1.92	1.96	1.87	1.90
1	.04	.00½	Federal	.....	.01½	.....	.....	.....
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	.....	.01½	.....	.....	.....
1	.03	.00½	Goldale	.....	.01½	.....	.....	.....
10	.24	.05½	Goldfield	.....	.22	.....	.....	.....
1	.00½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02½	Goodfish	6,000	.03	.03	.03	.03
1	.03½	.00½	Graham	1,000	.01½	.01½	.01½	.01½
1	1.25	.50	Granada	13,160	.69½	.80	.70	.72
1	.22	.06	Grozelle	.....	.08	.....	.....	.....
1	.03½	.01	Harker	2,000	.01½	.02	.02	.02
1	.01½	.00½	Hilltop	7,000	.00½	.00½	.00½	.00½
5	5.80	4.25	Hollinger	3,895	5.10	5.15	5.00	5.05
1	.72	.26	Howey Gold	9,425	.57	.59	.52	.52
No	5.30	.92	Hudson Bay	1,175	3.10	3.25	3.10	3.10
No	.20	.13	Huronian	.....	.13	.....	.....	.....
No	13.50	[illegible]	Int. Nickel	11,537	8.75	9.50	8.37	8.62
1	.01½	.00½	Jackson Manion	1,000	.01	.00½	.00½	.00½
1	.25	.20	Keeley	500	.22	.22	.22	.22
1	.02½	.00½	Keora Mines	5,000	.01	.01½	.01	.01
1	.70	.40	Kirk. Hud. Bay	5,900	.45	.55	.44	.54
1	.02½	.00½	Kirk. Hunton	.....	.00½	.....	.....	.....
1	.55	.19	Kirkland Lake	15,040	.31	.30½	.27	.27
1	.03½	.00½	Kirkland Premier	4,500	.01½	.01½	.01½	.01½
1	.15½	.05	Kirk. Townsite	43,100	.13½	.15	.10	.14½
20c	.01½	.00½	Koot. Florence	3,500	.01	.01	.00½	.00½
1	.01½	.00½	La Rose	.....	.01½	.....	.....	.....
1	.41	.14	Lakeland	.....	.15	.....	.....	.....
	.21½	.20½	Lake Maron	31,150	.....	.21½	.20½	.21
1	30.25	24.90	Lake Shore	2,875	29.20	29.50	29.00	29.25
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	500	.01½	.01½	.01½	.01½
1	.41	.13	Macassa	13,000	.18½	.18½	.17	.17
1	.07	.02½	Malartic	5,000	.03½	.03½	.03	.03
1	.04	.00½	Malrobic	69,000	.02½	.03½	.02½	.02½
No	.08	.02	Mandy	.....	.07	.....	.....	.....
No	.02	.00½	Manitoba Basin	30,500	.01½	.01½	.01	.01
5	21.35	14.70	McIntyre	1,330	18.00	18.90	17.75	18.90
1	.35	.25	McKinley	.....	.30	.....	.....	.....
No	.09½	.02½	McLeod River	30,000	.04	.04½	.03½	.03½
No	1.85	.58	Mining Corp.	4,040	1.37	1.40	1.32	1.38
1	.08½	.01½	Moffatt Hall	22,000	.02½	.02½	.02	.02
1	.02½	.02	Moneta	.....	.02	.....	.....	.....
1	.45	.19½	Moss	16,800	.28	.29	.27	.27
1	.02½	.00½	Murphy	6,000	.00½	.00½	.00½	.00½
No	.06½	.01	Newbec	15,000	.05	.05½	.04½	.04½
5	1.48	.50	Nipissing	2,770	1.05	1.17	1.06	1.11
No	23.25	12.50	Noranda	6,582	18.95	20.10	18.90	19.25
No	.39	.10	Nor. Canada	11,610	.36	.39	.37	.37
No	.01	.00½	Old Colony	2,000	.00½	.00½	.00½	.00½
1	.09	.05	Osisko	.....	.07	.....	.....	.....
1	.17	.07	Parkhill	100	.13½	.10	.10	.10
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk	.....	.01½	.....	.....	.....
No	1.25	.35	Pend Oreille	1,700	.80	.85	.80	.80
1	.01½	.00½	Peterson Cobalt	.....	.00½	.....	.....	.....
1	4.70	3.00	Pioneer Gold B.C.	5,178	4.40	4.55	4.25	4.30
1	.00½	.00½	Porcupine Crown	.....	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	.....	.01	.....	.....	.....
1	.12	.12	Powell Rouyn	.....	.12	.....	.....	.....
1	.75	.32	Premier Gold	4,850	.60	.58	.58	.58
1	.00½	.00½	Preston E. Dome	.....	.00½	.....	.....	.....
No	.90	.15	Prospectors Air's	7,700	.21	.90	.50	.90
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.10	.08	Quemont	.....	.08	.....	.....	.....
1	.02½	.00½	Ribago	3,000	.00½	.01	.00½	.00½
1	.02½	.01	Ritchie	2,000	.01	.01	.01	.01
1	.02½	.00½	Robb Montbray	3,000	.01½	.01½	.01½	.01½
1	.70	.25	San Antonio	17,338	.60	.70	.60	.61
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	16,225	.49	.51	.45	.45
1	1.00	.50	Siscoe	29,985	.81½	.82½	.74	.74
1	.06½	.00½	South Keora	3,500	.04½	.04½	.04½	.04½
No	.02½	.00½	Stadacona	40,300	.01½	.02½	.01½	.02
1	.17	.05	St. Anthony	.....	.06	.....	.....	.....
No	.90	.16	Sudbury Basin	2,535	.60	.60	.50	.55
1	.02½	.00½	Sudbury Contact	.....	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	500	.00½	.00½	.00½	.00½
1	.22	.07	Sullivan	10,500	.14	.15	.13	.15
1	.87	.39	Sylvanite	7,900	.65	.65	.60	.61
1	.07	.01	Tashota	135,000	.02½	.03½	.01½	.03
1	5.25	3.10	Teck Hughes	8,760	3.25	3.29	3.15	3.17
1	.07½	.02	Thom. Cadillac	7,000	.03	.03	.03	.03
1	.40	.10	Towagmac	.....	.20	.....	.....	.....
1	3.00	1.01	Treadwell	200	1.65	1.50	1.50	1.50
1	.09½	.02	United Kirkland	500	.05½	.05	.05	.05
1	.12	.00½	Vacuum Gas	119,900	.10	.12	.09½	.11
No	1.10	.16	Ventures	25,990	.71	.71½	.65½	.68
1	.18	.04	Vickers	4,100	.15	.15	.14	.15
1	.45	.20	Vipond	4,100	.22	.22	.20	.20
No	1.01	.25	Waite Ackerman	.....	.50	.....	.....	.....
1	.08	.01	White Lake	1,000	.04½	.04½	.04½	.04½
1	.01	.01	Wiltsey Coughlan	.....	.01	.....	.....	.....
	.10	.04½	Wood Kirkland	1,000	.06	.05	.05	.05
No	3.15	2.09	Wright-Hargreaves	4,105	2.82	2.82	2.75	2.76
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	8,050	.13	.13	.11½	.11½
1	1.17	.60	Ajax	3,500	.80	.77	.70	.76
1	.18	.04½	Alta. Pacific	1,100	.12	.10	.10	.10
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.20	.02	Associated	.....	.10	.....	.....	.....
No	.09	.01	Baltac	7,000	.02½	.02½	.02	.02
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	225	.40	.40	.38	.40
1	.15	.04	Calmont	.....	.06	.....	.....	.....
1	.14	.03	Common. Pete	.....	.07	.....	.....	.....
No	.40	.05½	Dalhousie	500	.20	.20	.20	.20
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.16	.04	East Crest	300	.10	.07	.07	.07
No	.01½	.01½	Fabyan Pete	.....	.01½	.....	.....	.....
No	.25	.05	Foothills	.....	.15	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.85	.15	Home	175	.47½	.48	.44½	.44½
No	.05	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	77,300	.31	.30½	.20	.20
1	.01	.00½	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	.....	.00½	.....	.....	.....
No	.10	.04	Lowery	.....	.10	.....	.....	.....
No	.02	.00½	Madison	.....	.00½	.....	.....	.....
1	.32	.05½	Mayland	200	.16½	.20	.16	.20
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.22	.04½	Merland	4,025	.20	.20	.15½	.20
No	.15	.08½	Mill City Pete	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.01	Nordon	21,370	.09	.10½	.08	.10½
No	.06	.02	Oil Selection	12,000	.03½	.04	.03½	.03½
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Do., pref.	.....	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	5,950	.16	.15½	.15	.15½
No	.20	.02	Penn. Pete	139,220	.13½	.15	.13	.14½
No	20.00	20.00	Perfection Pete pfd.	.....	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	500	.14½	.15	.15	.15
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00½	Regent	.....	.00½	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	9.85	3.95	Royalite	50	8.00	7.00	7.00	7.00
1	.29½	.05	Sarnia Oil	24,900	.20	.21½	.15	.18
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
No	.12	.05	South West Pete.	.....	.05	.....	.....	.....
1	.20	.10	Spooner	.....	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	.....	.14	.....	.....	.....
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02½	.00½	Wainwell	.....	.01½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to October 18)					
25c	.00½	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05½	.03½	Beaver Silver	1,000	.04	.03½	.03½	.03½
25c	.04	.01	Bluebird	.....	.04	.....	.....	.....
No	.81	.50	Bralorne	3,911	.60	.70	.60	.66
1	.12	.04	Bridge River Cons.	9,000	.06	.05½	.05	.05
25c	.01½	.01	Cork Province	.....	.01	.....	.....	.....
1	.13	.02	Cotton Belt	.....	.03	.....	.....	.....
	.01½	.01½	Dalhousie Mines	.....	.01½	.....	.....	.....
1	1.00	.15	George Copper	150	.50	.60	.45	.45
50c	.02	.01	Geo. Enterprise	.....	.01	.....	.....	.....
1	.05	.01	Georgia River	41,500	.04	.04	.03½	.03½
1	.35	.10	Golconda	.....	.18	.....	.....	.....
50c	.08	.02	Grandview	3,550	.05	.04½	.04	.04
1	.01	.00½	Independence	.....	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01	.....	.....	.....
1	.13	.08	Inter. Coal	.....	.12	.....	.....	.....
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	.....	.03½	.....	.....	.....
5c	.12	.04	Metaline Metals	.....	.06½	.....	.....	.....
1	.03	.00½	Morton Woolsey	4,500	.01	.01	.01	.01
50c	.03½	.00½	National Silver	6,500	.02	.02	.01½	.01½
50c	.08½	.02	Noble Five	6,400	.04	.04	.03½	.03½
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.60	3.00	Pioneer Gold	1,695	4.60	4.50	4.20	4.45
50c	.08½	.02	Porter Idaho	6,000	.05	.04½	.04½	.04½
No	.01	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	500	.20	.23	.23	.23
1	.60	.21½	Reno Gold	16,600	.58	.58	.55	.58
1	.02½	.01	Rufus Argenta	.....	.01½	.....	.....	.....
1	.05	.02½	Ruth Hope	.....	.03½	.....	.....	.....
1	.05	.02½	Silverado	.....	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	.....	.01½	.....	.....	.....
50c	.02½	.00½	Snowflake	.....	.01	.....	.....	.....
1	.79	.60	Sunloch	.....	.75	.....	.....	.....
20c	.02½	.01	Wellington	.....	.02	.....	.....	.....
1	.06½	.00½	Whitewater	.....	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Petrol Oil	1c	....
Coniaurum	3c.	....	Premier	12c.	20.69
Dome Mines	$1+10c.	8.80	Pioneer, B.C.	12c.	2.79
Hollinger	65c.	12.87	Royalite	50c.	....
Howe Sound	40c.	....	Siscoe	4c	....
Lake Shore	$2+50c.	8.54	Sterling Pac. Oil	2½c.	....
McIntyre	$1.50	7.93	Sylvanite	4+½c.	7.37
McLeod Oils	5c	....	Teck Hughes	60c.	18.92
Merland Oil	2½c.	....	Wright-Har.	10+2½c.	4.52
Noranda	50c.	2.60			

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Canadian Mining News

PEND OREILLE MINE HAS $31,309 LOSS FOR 16 MO. PERIOD

Capitalization Changed From No Par to $1 Par Value Shares

At the annual meeting of shareholders of Pend Oreille Mines & Metals Co., held in Spokane, Wash., on October 7, approval was given to change the authorized capitalization from 3,000,000 shares of no par value, to $3,000,000 in $1 par shares.

The change was considered advisable because of the 4-cent per share transfer tax levied in the United States on no par value shares.

The financial statement, presented at the meeting, showed a deficit incurred of $31,309, covering the period from January 1, 1931, to April 30, 1932. L. P. Larsen, president of the company, in explaining this deficit said that inasmuch as all development expenditures were charged to mining and as development had added four tons of ore for each ton extracted, in reality there had been no loss.

During the 16 months under review 112,936 tons of ore were mined and milled from the Josephine section of the company's property on the Pend Oreille River just south of the International Boundary. This ore produced 15,637 tons of concentrates containing 3,955,127 pounds of lead and 15,525,065 pounds of zinc, equivalent to a recovery of 1¾ per cent in lead and 6.9 per cent in zinc, of the ore treated.

Mr. Larsen said there had been a steady improvement in grade of the ore mined and in the grade of the concentrates made, at the end of the period under review. With increased output he hoped for further reductions in cost.

Deal Made With Grandview

About a year ago an agreement was entered into with the Grandview Mines whereby the Pend Oreille mill will be dismantled and merged with that of Grandview with a view to increasing the capacity 2½ to 3 times. All production has suspended pending improved metal market, but Mr. Larsen says that negotiations are under way which he hopes will result in operations being resumed on a profitable basis at an early date.

Pend Oreille Mines & Metals, while a United States concern, is largely held in Canada owing to its stock being sponsored in British Columbia.

The following is a statement of income and expenditures:

Deficit Account

Period from Jan. 1, 1931, to Apr. 30, 1932	$
Income:	
Ore sales	588,040
Less: Smelter chgs.	261,687
Freight charges	121,312
	205,041
Add: Interest	20,875
Misc. income	2,222
	228,138
Expenses:	
Mining and develop.	113,956
Milling	64,288
Other oper. exps.	39,856
General expenses*	41,347
Deficit for period	31,309

*Including legal expense, transfer agency fees, insurance, interest, taxes, etc.

Costs

Tons of ore handled	112,936
Mining and develop., per ton	$1.01
Milling, per ton	0.57
Other oper. exps., per ton	0.351
Total per ton	1.931
General expenses	0.366
Total cost per ton handled	2.297

An item of $152,775 is shown in current assets as accounts receivable without further explanation. The last balance sheet dated April 30, 1930, showed a similar amount for $121,538 without explanation. The statement is not audited and shows 1,335,608 shares as outstanding. The following is a comparative statement of current assets and liabilities:

Working Capital

	$	$
Current assets	180,105	210,896
Current liabs.	23,906	14,513
Working capital	156,199	196,383

Granada Mines To Step Up Mill By End of Year

Officials of Granada Gold Mines announce that construction is under way to step up the present mill tonnage from 100 to between 300 and 400 tons daily. The additional mill facilities are expected to be in operation by the end of this year.

The increased capacity will be provided through the addition of a new grinding unit designed by the Hardinge Co. which will be the first unit of its kind in Canada. A feature of the new unit is that the ore will be taken from the mine without preliminary crushing and reduced one grinding stage, which is expected to lower grinding costs materially. A mill of similar design has been in operation for some time in Western United States.

Cyanide Plant Ample

The present cyanide plant is said to be sufficient to accommodate the increased capacity and with the exception of some new blanket tables, little additional equipment will have to be purchased. The mill building will be enlarged to accommodate the new equipment.

Underground mining facilities will be augmented by the addition of a storage battery electric locomotive.

Coincident with this construction programme, raising is taking place from the 500 ft. level that will provide a new main incline production shaft situated about 400 ft. south and 450 ft. east of the present mill building. The new shaft will be connected with the mill by means of an aerial tram.

CENTRAL MANITOBA OUTPUT UP

Bullion production shipped by Central Manitoba Mines in August totalled $49,300, while shipments in September amounted to $46,700, according to P. C. Anderson, vice-president of the company. In the fiscal year ended April 30, 1932, average monthly output was $38,000.

Mining Personages in Canada

JAMES MACKINTOSH BELL, M.A., Ph.D., LL.D., O.B.E.
Geologist and consulting engineer.

J. Mackintosh Bell Known As Man of Many Talents

Possesses Rare Combination of Geologist, Linguist, Writer and Artist—Has Won International Renown

It has often been said that an outstanding geologist embodies more professional and artistic accomplishments than men in other walks. He must have a thorough fundamental knowledge of the science of reading the rocks. To present a report properly and record his geological findings he must have more than ordinary ability as a writer. To impart his knowledge to geological assemblies in an interesting and comprehensive manner he must possess ability as a speaker. As his professional career might carry him to any part of the world he must be a linguist in order that he can converse freely in the native tongue of the country to which his assignment takes him. To record clearly his geological studies he must possess ability as an artist and be capable of sketching and even coloring his sketches that he may more clearly present a geological report.

J. Mackintosh Bell

An individual with all of these accomplishments rolled into one can only be considered unique. J. Mackintosh Bell's diversified accomplishments place him definitely in this class, and they make him one of the outstanding geologists and mining engineers in Canada.

Dr. Bell was born at St. Andrews, Quebec, in 1877, of a long line of Canadian pioneer stock. He graduated from Queen's University in 1899 as a geologist. The next five years saw him successively assistant field geologist of the Geological Survey of Canada; geologist for the Lake Superior Corp.; and field geologist for the Ontario Bureau of Mines. In 1900, during the period he was with the Geological Survey, his reconnaissance work took him to the Great Bear Lake area and it is significant that at this early date his observations of and his reports on the mineralization at Echo Bay, while he was windbound in the area for three days, were the first reference made to the mineral possibilities of an area that is the site of Canada's latest mining rush. In 1904 he pursued his studies at Harvard University, there obtaining his M.A. and Ph.D. degrees.

For the next six years Dr. Bell was director of Geological Survey of New Zealand. As a tribute to his achievement in this far-away country he was made president of the Australian Institute of Mining Engineers.

Found Keeley Mine

Then Dr. Bell came to the Cobalt camp, practising his profession at the Keeley Mines. The romantic tale of the fall and rise of this famous silver producer is an epic in Canadian mining, and the credit for the correct reading of the secrets of the rocks at the Keeley is due Dr. Bell. In 1921 he succeeded in finding the rich ore shoots that made Keeley the foremost silver producer contiguous to Cobalt.

During the Great War Dr. Bell served with the 73rd Battalion, progressively ascending in rank until he was temporary colonel, retiring at major. From 1917 to 1919 he was with the military intelligence service with the Imperial Forces in Russia. Here his ability as a linguist played an important part in the service that he rendered in His Majesty's Forces — a service that was not to be unrewarded, for the Order of the British Empire was conferred on him.

Since 1919 Dr. Bell has been established in Canada as a geologist and consulting engineer, but as the representative of well-known British financial interests he has had assignments that have taken him to many parts of the world. He has made frequent trips to Russia and his knowledge of mining conditions and affairs in that country is very great.

Hard Man to Follow

Dr. Bell's association with mining in the past 33 years has been a strenuous one, but time has dealt kindly with him and he possesses a strong physique. As those who have been associated with him will testify, he is a hard man to follow in the bush and is given to long hours of strenuous labor when occasion demands. He is distinctly the student type, however, and is as much at ease in discussing the arts as the sciences. He is not devoid of those idiosyncrasies found in public men whose achievements shine in world affairs. His eloquence of speech bends toward the superlative in expressing enthusiasm, and it is said that though he is an artist to his finger tips, music is to him just an unnecessary noise. His world experience and knowledge of affairs have taught him to value his own opinion.

Dr. Bell's early days in association with the Geological Survey of Canada were marked by his exploration of the Coppermine River and Great Bear Lake areas. On this trip he employed a young graduate who had migrated back to his sub-Arctic home. The young graduate was Charles Camsell and from that start he rose to be the present deputy minister of mines for Canada.

Dr. Bell is a writer of no mean ability, whose contributions to literature include "Tales of the World's Red Children," dealing with the frontier life of Canada's northwest. His "The Wilds of Maoriland" concerns his experiences in Australasia. "Sidelights on the Siberian Campaign" is an interesting insight into the war days in Russia. His most recent contribution to literature is "Far Places," giving interesting sketches of incidents in numerous countries. He is also much in demand as a fluent and interesting lecturer.

The main acquisition by Dr. Bell during his stay in New Zealand was his wife. Mrs. Bell is the daughter of Sir Harold Beauchamp, and a sister of Katharine Mansfield, whose writings won her world renown.

While Dr. Bell has resided in many climes, Almonte, near Ottawa, is his present abode. It is the Bell ancestral home as it has been in the family for generations. Here he has developed one of the show gardens of the district, and there this many-sided man has won more than local laurels as a botanist and gardener.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 57.4 for the week ending October 20, as compared with 57.3 for the previous week.

Eleven gold stocks fell from 55.0 to 54.9, four gold-copper stocks rose from 70.1 to 70.9, and five silver and miscellaneous stocks fell from 24.7 to 24.4.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

Production of Leading Minerals in Canada

		June, 1932	July, 1932	7 Mos., ends July, 1932
Asbestos	tons	*8,935	*7,164	62,620
Cement	brls.	566,992	457,246	2,764,893
Clay products	$	427,967	375,111	2,510,391
Coal	tons	751,789	652,587	6,308,388
Copper	lb.	20,669,800	18,090,417	147,961,174
Feldspar	tons	479	635	4,857
Gold	fine oz.	270,526	247,894	1,748,714
Gypsum	tons	*70,707	80,144	217,019
Lead	lb.	22,456,497	20,053,383	147,239,095
Lime	tons	27,290	27,185	187,658
Natural gas	M. cu. ft.	1,130,787	981,700	15,500,085
Nickel	lb.	3,162,310	2,959,231	24,122,017
Petroleum	brls.	89,525	86,969	652,538
Salt	tons	*15,709	13,869	93,458
Silver	fine oz.	1,310,573	1,825,238	11,032,768
Zinc	lb.	14,665,930	15,206,916	104,272,065

*Revised.

JOWSEY FIND AT GODS LAKE TO BE DRILLED

Much Interest Centres in New Field — Assays Spectacular

The original find made at Gods Lake, Manitoba, by Robert Jowsey and jointly owned by Bobjo Mines and Coniagas Mines, is showing up so favorably under development that decision is expected to be announced shortly that an extensive diamond drilling campaign will be started with a 10,000 ft. programme mooted.

Since July 13 last, the date of the find, a veritable rush has taken place to the area with most encouraging results considering the small amount of work done. Bobjo and Coniagas have staked or acquired under option a total of approximately 70 claims in four groups. Jowsey Island, off the point of Elk Island, was the site of the original find, and here 15 claims have been staked. Some 700 to 800 ft. east on the northwest shore of Elk Island staking has taken place practically the full length of the island. Adjoining Bobjo is Ventures Ltd., which has four claims. On the north of Ventures, Chas. Richardson has staked a group and adjoining the latter Bobjo has staked a second group of claims. Further north is the Dan McRae group, which is under option to N.A.M.E. Further north Bobjo staked 15 claims and the seven northerly adjacent claims known as the Brown-Mackenzie group are under option to Bobjo. Early this month Granada Gold Mines staked 36 claims adjacent to the Brown-Mackenzie group.

Much Free Gold

A significant feature of the new development is that almost every group of claims, although blindly staked has shown free gold at some point. The staking has taken place along a white porphyry dyke paralleling the shore line. In places this dyke is 600 ft. in width with the ore occurring in lenticular form in the dyke. Some ore bodies up to 30 ft. in width. Channel sampling has taken place on the Jowsey claim, giving spectacular values.

Plans are being laid for taking in supplies over a winter route from mile 185 on the Hudson Bay Railway. From this point there exists a winter road cut several years ago through to Gods Lake, a distance of some 130 miles. This road would have to be improved for tractor service and a tentative rate of $120 per ton has been offered for conveying the first 40 tons and putting the road in shape. It is expected that transportation will be brought down to at least $45 a ton from steel by the time any extensive supplies are required.

San Antonio's Output $69,000 In September

Favorable production is reported from the initial operation of San Antonio Gold Mines, which started production in May last in the Central Manitoba area. September output is shown at approximately $69,000 with millheads averaging better than $15 per ton in gold. August production was reported at approximately $50,000 and it is expected that the October output will show a considerable advance. Operating costs are known to be favorable with the result that initial operations are showing a satisfactory margin of profit.

In December, 1929, John Reid estimated the ore reserves at 61,000 tons averaging $13.35 per ton in gold over a width of 5 ft. Development since milling operations started has disclosed a new vein not taken into the estimated reserves that has been developed for 170 ft. over a width of 12 ft. above the 600 ft. level averaging better than $20 per ton.

This new development has been responsible in materially increasing operations. The developments have now reached the stage where officials are considering the sinking of a new main production shaft that will permit deeper development work being conducted simultaneous with mining operations.

Insurance Body Defers Valuation Till December

All action in regard to valuations of insurance company securities for 1932 was laid over until December, following the 63rd annual national convention of U. S. Insurance Commissioners held at Dallas, Texas, last week.

Although the major topic of discussion was valuation of insurance securities, it was agreed that nothing would be done until December in view of continued uncertainty in the security markets and the difficulty of finding a satisfactory solution to the problem. There was general agreement, however, that something should be done similar to what was done last year in allowing average valuations.

In attendance at the meeting from Canada were: R. Leighton Foster and B. Arthur Dugal, representing the Canadian provincial superintendents; G. Cecil Moore, general manager, assistant general manager of the Imperial Life; V. R. Smith, general manager and actuary of the Confederation Life and C. S. V. Branch, assistant secretary of the Sun Life.

Hold-up Nets Branch $10

The Imperial Bank at Arlington and Westminster St., Winnipeg, is $10 richer as the result of an attempted hold-up in which one bandit of a trio who entered the bank with guns protruding from their pockets, is believed to have been wounded.

When manager R. S. McClay blazed five shots at a man who asked for change for a ten-dollar bill, the bandit dropped the bill and escaped with his companions in a waiting car, without obtaining any loot.

"Just a warm-up for an encounter with prairie chicken," the manager is said to have explained to detectives a few minutes later as he went about the business of the bank in an effort to get away with one of the employees for a quiet crack at the birds, a four-day open season for which began today.

Syndicate Exemptions Watched in Ontario

Not Desired That It Should Prevent Honest Mining Man Financing — Leaves Loophole For Spurious Promoter to Ply His Trade

New and important changes in the law governing the sale of securities in Ontario should not escape the scrutiny of investors. By the terms of an order-in-council made on June 30, 1932, last, "mining syndicates organized for the purpose of financing prospecting expeditions or mining development where the total capital of the syndicate is not in excess of $35,000," are added to the list of trustee investments and other securities, which under Sec. 4 of the Ontario Securities Act are exempted from registration. What is the true measure of the effect of this exemption? Will it let loose, as is alleged, another flood of spurious speculative securities on investors of the province? Or does it give necessary air to prospectors and syndicates?

Formerly under the Security Frauds Prevention Act, now the Ontario Securities Act, even the smallest syndicates proposing to raise capital by public subscription were required to submit in advance to the commission the essential facts about their plan of operations. They were required, for example, to produce evidence of their title to the mining property they proposed to develop. They were required to show that the rate of commission payable for selling the securities was in their particular case reasonable and conscionable.

Had Rein on Promoters

On the important matter of vendor's or promotion stock paid for the syndicate property or for organization purposes, (100 per cent of which often goes into the pockets of the organizers) it was essential to give fool-proof undertakings to the commission that this stock or a proper part thereof would be pooled pending the sale to the public of the treasury or unissued stock. Furthermore, and most important of all, organizers who had been convicted of thefts or frauds in respect of securities, and who for these or for other cogent reasons were deemed unworthy to be allowed to sell securities to the public, were prohibited from so doing by a refusal of their application for a license to sell.

The effect of all these safeguards, which have hitherto been operative in respect of all classes of speculative securities, has been, for the most part, salutary.

Handicaps Honest Miner

On the other hand, the liberty-loving miners in the north, have chafed all along under the restraints imposed upon them by the Ontario Securities Act. In a time of depression when development money was more and more difficult to secure through the hardening of the attitude of investors towards the purchase of securities of all kinds and of speculative securities in particular, mining developers (other than bona fide prospectors) found themselves forced to pay a registration fee of $25, and to answer formal questions, and fill out numerous application forms that often involved the additional expense of counsel.

Irritating delays frequently developed while the commission checked their references as to character, and the facts set out in their applications. Finally, they ofttimes found their intentions thwarted in such vital matters to them, as the rate of commission payable and the free disposal of vendor's stock. It was not unnatural, therefore, that when, to the stern and unyielding attitude of investors, was superimposed the obstacle of registration, the members of the mining financial fraternity should attribute a large part of their misfortunes and the plight of the industry to the operation of the new act.

Said Threatened Mining

It was a commonplace among many mining men that "the Ontario Securities Act was ruining the mining industry." As a consequence a mass meeting of mining financiers and prospectors was held in the Royal York Hotel a few months ago, at which the Ontario security commissioner was present. Negotiations begun at this meeting resulted in an amendment to the act being put into force last June.

The main effect of the new amendment is to eliminate the safeguard of preliminary investigation by the securities commission, and to enable anyone with or without a license, to organize or sell the speculative securities of small mining, gas or oil syndicates. Hailed in some quarters as a windfall for crookdom, the new exemption, however, does not give unbridled freedom to small syndicate organizers. The filing of a formal prospectus under the Company's Information Act at a cost of $5 before any security can be sold in Ontario, is still a requirement of the law. The Ontario Securities Act still provides a remedy in transactions involving the sale of these exempted securities whenever the rate of commission or the profit is so large as to be unconscionable, or where, as with vendor's stock, the trade was calculated to deceive the purchaser as to the nature of the transaction.

The attorney general's department still retains the right to investigate the activities of these mining syndicates. The new exemption therefore does not wholly remove the safeguards of the present law. Moreover the tendency of the new amendment to cause the capitalization of new mining ventures to be at least to $35,000 should exert a wholesome effect in dewatering future mining stock flotations.

Con. Smelters Fertilizer Favorably Received Abroad

From Our Own Correspondent

VANCOUVER. — Consolidated Mining & Smelting Co. has built up an important market in foreign countries for chemical fertilizers manufactured in its new $7,000,000 plant at Warfield Flats.

Up to the end of June, the Hawaiian Islands had bought 2,300 tons, China 400 tons, Dutch East Indies, 3,500 tons, the Philippine Islands, 100 tons and India, 200 tons. Sales have also been made in Australia and South American countries.

The company has approached the sales situation with a view to the future rather than attempting to force sales under present conditions. It has proceeded slowly by sending out sample shipments and asking various governmental stations to supervise experiments. In every instance the reports on the fertilizer have been satisfactory. A favorable reputation for the product is therefore being gradually built up at a minimum expense and sales are anticipated as a logical consequence.

California Buying

California has placed orders for more than 5,000 tons so far this year, and efforts are being made to have the fertilizer adopted in a large way by the enormous citrus fruit industries of Southern California. Considerable headway is also being made in encouraging the use of the fertilizer in the Hawaiian pineapple plantations.

Tests in the Canadian prairies by wheat farmers have been uniformly successful, and it is probable that the wheat belt will prove one of the largest markets.

Potential capacity of the fertilizer plant is 100,000 tons annually, and it converts into practical use material that formerly was wasted.

RIGHTS OFFERED BY MINING CORP. TO SHARE ASHLEY

One Share at 60 Cents For Each Five Mining Corp. Shares Held

Shareholders of Mining Corp. are to be given the opportunity to participate directly in the Ashley Gold Mining Corporation's development by rights to purchase shares in this company at 60 cents each on the basis of one Ashley for each five shares of Mining Corp.

In a statement to shareholders, J. P. Watson, president of Mining Corp., outlined the development of the Ashley property, consisting of 952 acres in the Matachewan area. Staked two years ago, aggressive underground development has since been carried through an incline shaft to a depth of 500 ft. which resulted in a 150-ton mill being started on August 25 last. Development to June 30 last and results of channel sampling of the discovery vein at five ft. intervals in the drifts, are shown in the following tabulation:

	125 ft. level	250 ft. level	375 ft. level	500 ft. level
Total ft.	565	719	605	893
Ft. in ore	285	325	388	733
% in ore	50	46	64	82
Aver. assay 30 in. wdt.	$21	$30	$16	$21

Work Financed by Mining Corp.

The Ashley Gold Mining Corp. has a capitalization of 3,000,000 shares of $1 each of which 1,500,000 were issued for the property. Mining Corp. purchased 1,000,000 shares for cash and holds an option on the balance of 500,000 shares. Up to the present funds required to bring the property to the present stage of development and production have been provided by the Mining Corp. out of its own resources which have been sufficient to meet all charges and provide sufficient working capital.

Developments have been so satisfactory that the directors of Mining Corp. now have decided to permit its shareholders to participate directly through rights.

Silver production from the company's Cobalt property for the three months ended September 30 amounted to 185,794 oz.

Columbia Business Taken By Great West

The life insurance business of the Columbia Life Assurance Co. will shortly be taken over by the Great West Life of Winnipeg, The Financial Post understands. Business in force totals about $600,000.

A provincial charter is being taken out which will enable the former company to write fire and casualty insurance. The new concern will be called the Columbia Fire Insurance Co.

Columbia Life was formed under federal charter in March, 1927, and commenced business in February, 1929, under the active management of F. W. B. Law. W. C. Brown is president of the company. Authorized capital of the old company was $1,000,000 of which $99,548 was paid-up, according to latest available figures.

Grozelle Shareholders Extended Share Rights

Grozelle-Kirkland Gold Mines shareholders are extended rights to purchase additional stock at 10 cents per share in the ratio of one new share for each seven shares held in order to finance exploration from the 4,900 ft. level of the adjoining Kirkland Lake Gold Mining Co.

Early this year Kirkland Lake Gold Mining acquired controlling interest in Grozelle at a cost of approximately 15 cents per share and it is now proposed to explore the property.

HOWE SOUND LOSS WAS $83,241 NET IN LAST QUARTER

Metal Sales Further Curtailed as Prices Fail to Improve

The quarterly report issued by the Howe Sound Co. covering the three months ended September 30, 1932, shows a net loss of $83,241 after depreciation of $39,554, as compared with $6,114 in the previous quarter.

During the quarter the sale of zinc was reduced to less than one half of that in the previous quarter and lead sales were about 25 per cent, of the previous quarter while there were no sales of copper.

The following is a comparative statement of earnings and sales for the last two quarterly periods:

Income Account

	3rd quar. 1932 $	2nd quar. 1932 $
Metals sold	492,647	757,849
Operating costs	588,157	783,952
Oper. loss	95,510	26,103
Miscel. income	51,823	69,747
Total income	*43,687	43,644
Deprec.	39,554	49,758
Net loss	83,241	6,114

*Deficit.

Sales

Zinc, lbs.	3,713,615	7,628,599
Lead, lbs.	15,317,876	20,046,801
Silver, oz.	542,137	692,915
Gold, oz.	nil	11

MILLER GOLD MINE TO RESUME WORK

Settlement of Differences Will Permit Further Test of Showing

As a result of meetings by the directors and later of shareholders at Dayton, Ohio, decision was reached to proceed again with development work at the Miller Independence gold property at Boston Creek with the view to installing a small mill.

One of the first steps to be made will be to move the head office of the company to Toronto and, as soon after as possible, mining operations will be started. Financial support to make this possible has also been arranged.

It is understood that hitherto there have been two groups of shareholders in Dayton, Ohio, who could not see eye to eye as to the future operation of the property. However, their differences have been amicably settled and some changes made on the board, with the old president, Geo. J. Miller, back on the directorate.

Meanwhile plans are being made to reopen the property and resume mining operations. Negotiations have been started to acquire adjoining properties, which will substantially add to the company's holdings and to chances of opening up a profitable mine.

While a number of factors resulted in the closing down of the property, some years ago, the main one was that the new management was unable to pick up the downward extension of the two main veins at the 500-ft. horizon and as funds were scarce, a halt was called.

Last Worked in 1929

Those interested in the company provided the funds in 1929 to do some diamond drilling. This was successful in locating the lost No. 1 vein and where intersected, had a width of 4 ft. with showings of free gold.

This work did not locate the rich telluride vein, and one of the staff who remained on the property, undertook some prospecting in "D" shaft area, finally putting in some shots to the north. This opened out the footwall section of the vein and showed that instead of flattening out and following the mud seam the vein had continued down.

There is another vein on the property known as the Jumbo. Drilling was done on the Jumbo vein in 1919 and the core drawn from the 400-ft. horizon was never assayed. In 1929 the cores were run and good values obtained.

There are five veins on the property, "A" 500 ft. deep with one crosscut run to under "D" shaft area; "B" shaft 37 ft. deep when it cut No. 1 vein which was flat at this point and some drifting was done; "C" shaft 100 ft. deep with some drifting on a flat vein; "D" shaft incline 200 ft. with 75 ft. of crosscutting; and "E" shaft incline 135 ft. on No. 1 vein.

Ontario Department of Mines report gives a page to the early operations of the Miller Independence, and says all work was carried out on the Independence vein. The company constructed a mill back in 1920 and a small amount of gold was produced but the mill failed to survive one of the many severe bush fires which swept the area.

Nipissing Suspends All Work at Cobalt

Exploration activities at the Nipissing mine at Cobalt have been completely closed down. Early this year a new exploratory shaft was started in the Cross Lake section of the company's property and continued to a depth of 380 feet. A level was established at 264 feet and drifts run 70 feet both north and south without encountering commercial ore, which prompted the cessation of all activities.

Quebec Gold Production at High Levels in Sept.

The September statement of mineral production by the Province of Quebec shows a substantial increase in gold output over that in August. Silver production in September was at record levels.

The following tabulation shows comparative figures for September and August with the total for the first nine months of 1932.

Quebec Mineral Production

	Sept. 1932	Aug. 1932	To Sept. 1932
Asbestos, tons	11,001	9,331	81,115
Gold, oz.	34,204	28,000	313,921
Silver, oz.	58,578	39,663	486,827
Copper, lbs.	*	*	31,776,330

*Not reported.

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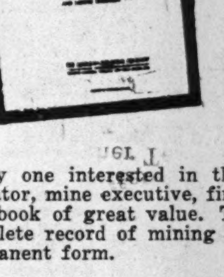

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A list of mining engineers, geologists and mine managers is to be given.

This is the seventh year in succession in which The Financial Post has brought out its Survey of Mines. It is not only bought but constantly consulted.

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